LOGAN COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2016

LOGAN COUNTY
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INDEPENDENT AUDITOR'S REPORT

Logan County
Honorable County Board of Commissioners
Honorable County Auditor
Honorable County Treasurer
100 South Madriver Street
Bellefontaine, Ohio 43311

To the County Board of Commissioners, Auditor, and Treasurer:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Logan County, Ohio (the County), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the County's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Logan County, Ohio, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Auto and Gas, and Developmental Disabilities Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the County's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2018, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Dave Yost
Auditor of State
Columbus, Ohio

January 26, 2018

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As management of Logan County (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2016.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately $110.2 million (net position).

- The County's Governmental Activities net position increased by $4.6 million and the County's Business-Type Activities net position increased by $991,482.

- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately $24.7 million, a $3.5 million increase in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County included general government, public safety, public works, health, human services, conservation and recreation, economic development and assistance, and urban redevelopment and housing. The business-type activities of the County include water pollution control operations and county home operations.

The government-wide financial statements can be found on pages 13-15 of this report.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 133 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement revenues, expenditures, and changes in fund balances for the general fund, auto and gas fund, developmental disabilities fund, and capital improvements fund, each of which are considered to be major funds. Data from the other 129 governmental funds are combined into a single, aggregated presentation.

The County adopts annual appropriated budgets for the general fund, auto and gas fund, and developmental disabilities fund. A budgetary comparison statement has been provided for each to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 16-25 of this report.

Proprietary funds - The County utilizes one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water pollution control and county home operations.

Proprietary funds provided the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provided separate information for water pollution control and county home operations, both of which are considered to be major funds of the County.

The basic proprietary fund financial statements can be found on pages 26-29 of this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 30-31 of this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 33 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees. This required supplementary information can be found on pages 71-74 of this report.

Government-Wide Financial Analysis

The table below provides a comparative summary of the County's net position at December 31, 2016 and December 31, 2015:

Net Position

	2016 Governmental Activities	2016 Business-Type Activities	2015 Governmental Activities	2015 Business-Type Activities
Assets				
Current and other assets	$ 45,348,173	$ 14,061,429	$ 47,851,561	$ 12,717,503
Capital assets, net	80,261,727	39,908,083	78,938,629	40,940,591
Total assets	125,609,900	53,969,512	126,790,190	53,658,094
Deferred Outflows of Resources	7,327,452	2,450,957	2,583,976	856,470
Liabilities				
Current and other liabilities	7,981,205	672,908	14,626,114	836,178
Long-term liabilities				
Other Long Term Liabilities	7,448,007	29,429,853	7,761,910	30,314,414
Net Pension Liability	20,219,081	5,444,072	14,513,982	3,525,079
Total liabilities	35,648,293	35,546,833	36,902,006	34,675,671
Deferred Inflows of Resources	7,862,814	105,190	7,628,858	61,929
Net position				
Net Investment in Capital Assets	69,108,220	10,925,766	68,926,413	11,081,756
Restricted	23,078,250	-	19,821,198	-
Unrestricted	(2,760,225)	9,842,680	(3,904,309)	8,695,208
Total net position	$ 89,426,245	$ 20,768,446	$ 84,843,302	$ 19,776,964

Net pension liability and related deferred outflows of resources and deferred inflows of resources all increased significantly in comparison with the prior fiscal year-end. These increases are primarily the result of lower than expected returns on pension plan investments, as reported by the pension systems and an increase in the County's proportionate share of the pension systems' unfunded liabilities.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately $110.2 million at the close of the most recent fiscal year.

By far the largest portion of the County's net position reflects its investment in capital assets (e.g. land, buildings, equipment and machinery, vehicles, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending.

Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (restricted net position) represents resources that are subject to external restriction on how they may be used.

The table below provides a comparative analysis of changes in net position for 2016 and 2015:

Change in Net Position

Revenues	Governmental Activities 2016	Business-Type Activities 2016	Governmental Activities 2015	Business-Type Activities 2015
Program revenues:				
Charges for Services	$ 7,599,452	$ 10,523,602	$ 6,935,423	$ 10,666,498
Operating Grants and Contributions	13,875,058	2,539,337	13,403,023	2,386,842
Capital Grants and Contributions	362,151	825,754	2,980,181	444,246
Total program revenues	21,836,661	13,888,693	23,318,627	13,497,586
General revenues:				
Property and Sales Taxes	18,083,813	-	16,553,190	-
Unrestricted Grants and Entitlements	1,634,987	-	988,365	-
Unrestricted Investment Earnings	488,979	2,107	231,426	-
Insurance Proceeds	-	-	-	-
Other	328,837	-	348,812	5,970
Total general revenues	20,536,616	2,107	18,121,793	5,970
Total revenues	42,373,277	13,890,800	41,440,420	13,503,556
Expenses				
General Government- Legislative and Executive	5,250,073	-	5,211,165	-
General Government- Judicial	3,320,420	-	2,884,825	-
Public Safety	5,796,672	-	5,285,848	-
Public Works	7,251,126	-	7,739,252	-
Health	1,405,640	-	1,227,359	-
Human Services	13,096,590	-	12,943,154	-
Conservation and Recreation	4,262	-	4,680	-
Economic Development and Assistance	330,792	-	925,865	-
Urban Redevelopment and Housing	995,081	-	652,763	-
Interest and Fiscal Charges	246,572	-	262,477	-
Water Pollution Control Fund	-	3,933,808	-	4,431,744
Logan Acres County Home Fund	-	9,058,616	-	8,412,500
Total expenses	37,697,228	12,992,424	37,137,388	12,844,244
Change in Net Position Before Transfers	4,676,049	898,376	4,303,032	659,312
Net Transfers	(93,106)	93,106	(94,306)	94,306
Change in Net Position	4,582,943	991,482	4,208,726	753,618
Net position, Beginning of year	84,843,302	19,776,964	80,634,576	19,023,346
Net Position, End of Year	$ 89,426,245	$ 20,768,446	$ 84,843,302	$ 19,776,964

Capital Grants and Contributions decreased significantly in comparison with the prior fiscal year. This decrease is primarily the result of a decrease in grant funding from the Ohio Department of Transportation related to County infrastructure projects.

Property and Sales Taxes increased significantly in comparison with the prior year. This increase primarily represents an increase in sales taxes as a result of improved economic conditions.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2016 and 2015. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	Total Cost of Services 2016	Net Cost of Services 2016	Total Cost of Services 2015	Net Cost of Services 2015
Program expenses				
Legislative and Executive	$ 5,250,073	$ 2,696,938	$ 5,211,165	$ 2,569,799
Judicial	3,320,420	1,859,655	2,884,825	1,505,590
Public Safety	5,796,672	4,759,988	5,285,848	4,469,545
Public Works	7,251,126	2,223,770	7,739,252	152,700
Health	1,405,640	(349,777)	1,227,359	(290,204)
Human Services	13,096,590	4,277,663	12,943,154	5,023,512
Conservation and Recreation	4,262	4,262	4,680	4,680
Economic Development and Assistance	330,792	157,028	925,865	117,270
Urban Redevelopment an Housing	995,081	(15,532)	652,763	3,392
Interest and Fiscal Charges	246,572	246,572	262,477	262,477
Total program expenses	$ 37,697,228	$ 15,860,567	$ 37,137,388	$ 13,818,761

As can be seen in the chart above, the County is highly dependent upon property and sales taxes to support its governmental activities. For all governmental activities, taxes and other general revenues support 42 percent of expenses.

Financial Analysis of the Governmental Funds

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately $24.7 million, an increase of $3.5 million in comparison with the prior year.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was approximately $4.4 million, while total fund balance reached approximately $6.1 million. As a measure of general fund liquidity, it may be useful to compare both unassigned and total fund balance to total general fund expenditures. Unassigned fund balance represents 37 percent of total general fund expenditures, while total fund balance represents 52 percent of that same amount.

The fund balance of the County's general fund increased by $1.6 million during the current fiscal year. This increase represents the amount in which revenues ($14.1million) exceeded expenditures ($11.8 million) and operating financing uses ($671,877).

The fund balance of the County's auto and gas fund increased by $267,361 during the current fiscal year. This increase represents the amount in which program revenues exceeded program expenditures and a decrease in inventory.

The fund balance of the County's developmental disabilities fund increased by $1.2 million during the current fiscal year. This increase represents the amount in which property taxes and program revenues exceeded program expenditures.

The fund balance of the County's capital improvements fund decreased by $1.5 million during the current fiscal year. This decrease represents the amount in which expenditures relating to capital projects exceeded intergovernmental revenues.

Financial Analysis of the Proprietary Funds

Net position in the Water Pollution Control Fund increased $1.3 million during the current fiscal year. The key components of this increase were operating income ($1.1 million) and capital grants ($825,754), offset by interest expense ($653,452). In addition, the fund received a subsidy from the General Fund totaling $93,106.

Net position in the Logan Acres Home Fund decreased $354,519 during the current fiscal year. This decrease represents the amount by which interest expense of $437,755 exceeded operating income of $83,236.

General Fund Budgeting Highlights

The County's final revenue estimate was approximately $1.8 million, or 11% higher than original. This increase is primarily the result of a significant unexpected increase in sales taxes. The County's actual revenues exceeded the final revenue estimate by $356,256, or 2%.

The County final appropriations were approximately $1.5 million, or 9% more than original. This increase is the result of additional appropriations resulting from the increase in sales taxes. The County's final actual budgetary expenditures were $17.4 million, or about 98% of the final expenditure budget.

Capital Assets

The County's investment in capital assets for governmental activities as of December 31, 2016, including land, land improvements, buildings, equipment and machinery, vehicles, and infrastructure, totaled $80.3 million (net of accumulated depreciation), an increase of $1.3 million in comparison with the prior year. This increase consists of current year acquisitions of approximately $5.9 million, offset by current year depreciation of approximately $4.5 million and net current year disposals of $13,674.

The City's investment in capital assets for business-type activities as of December 31, 2016, including land, land improvements, buildings, equipment and machinery, vehicles, and infrastructure totaled $39.9 million (net of accumulated depreciation), a decrease of $1.0 million in comparison with the prior year. This decrease represents the amount in which current year depreciation of approximately $1.5 million exceeded current year acquisitions of $490,593.

Detailed information regarding capital asset activity is included in the Note 8 to the basic financial statements.

Debt Administration

The County's governmental activities debt as of December 31, 2016 totaled approximately $6.3 million, a decrease of $342,886 in comparison with the prior year. This decrease represents principal payments ($600,000) and premium amortization ($14,995), offset by a new loan issuance ($272,109).

The County's business-type activities debt as of December 31, 2016 totaled $29.2 million, a decrease of $902,362 in comparison with the prior year. This decrease represents principal payments ($884,400) and premium amortization ($17,962).

Detailed information regarding debt activity is included in the Note 9 to the basic financial statements.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional information contact Michael E. Yoder, County Auditor, 100 South Madriver Street, Bellefontaine, Ohio 43311, or e-mail at meyoder@co.logan.oh.us or telephone at (937) 599-7209.

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LOGAN COUNTY

STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2016

	Governmental Activities	Business-type Activities	Total
Assets			
Equity in Pooled Cash and Investments	$ 29,481,777	$ 11,830,518	$ 41,312,295
Cash and Cash Equivalents with Fiscal Agents	-	410,549	410,549
Receivables:			
Taxes	10,870,186	-	10,870,186
Accounts	191,363	637,017	828,380
Special Assessments	104,747	877,760	982,507
Accrued Interest	39,333	-	39,333
Intergovernmental	3,305,297	245,743	3,551,040
Prepaid Items	298,946	59,842	358,788
Materials and Supplies Inventory	686,827	-	686,827
Loans Receivable	311,304	-	311,304
Nondepreciable Capital Assets	4,171,108	209,800	4,380,908
Depreciable Capital assets, Net	76,090,619	39,698,283	115,788,902
Net Pension Asset	58,393	-	58,393
Total Assets	125,609,900	53,969,512	179,579,412
Deferred Outflows of Resources			
Deferred Charge on Refunding	-	161,155	161,155
Pension	7,327,452	2,289,802	9,617,254
Total Deferred Outflows of Resources	7,327,452	2,450,957	9,778,409
Liabilities			
Accounts Payable	1,149,804	250,111	1,399,915
Accrued Wages	516,260	159,586	675,846
Due to Other Governments	299,654	91,115	390,769
Notes Payable	6,000,000	-	6,000,000
Accrued Interest Payable	15,487	172,096	187,583
Long-Term Liabilities:			
Due Within One Year	1,164,439	1,112,721	2,277,160
Due in More Than One Year	6,283,568	28,317,132	34,600,700
Net Pension Liability	20,219,081	5,444,072	25,663,153
Total Liabilities	35,648,293	35,546,833	71,195,126
Deferred Inflows of Resources:			
Property and Other Local Taxes	7,341,578	-	7,341,578
Pension	521,236	105,190	626,426
Total Deferred Inflows of Resources	7,862,814	105,190	7,968,004
Net Position			
Net Investment in Capital Assets	69,108,220	10,925,766	80,033,986
Restricted for:			
Legislative and Executive	1,511,656	-	1,511,656
Public Safety	467,935	-	467,935
Human Services	10,438,370	-	10,438,370
Public Works	8,602,320	-	8,602,320
Urban Redevelopment and Housing	23,462	-	23,462
Judicial	791,976	-	791,976
Economic Development and Assistance	1,242,531	-	1,242,531
Unrestricted	(2,760,225)	9,842,680	7,082,455
Total Net Position	$ 89,426,245	$ 20,768,446	$ 110,194,691

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government:				
Legislative and Executive	$ 5,250,073	$ 2,553,135	$ -	$ -
Judicial	3,320,420	696,686	764,079	-
Public Safety	5,796,672	504,843	531,841	-
Public Works	7,251,126	703,030	4,109,926	214,400
Health	1,405,640	1,676,442	78,975	-
Human Service	13,096,590	1,439,303	7,379,624	-
Conservation and Recreation	4,262	-	-	-
Economic Development and Assistance	330,792	26,013	-	147,751
Urban Redevelopment and Housing	995,081	-	1,010,613	-
Interest and Fiscal Charges	246,572	-	-	-
Total Governmental Activities	37,697,228	7,599,452	13,875,058	362,151
Business-Type Activities:				
Water Pollution Control Fund	3,933,808	4,358,842	-	825,754
Logan Acres County Home Fund	9,058,616	6,164,760	2,539,337	-
Total Business-type Activities	12,992,424	10,523,602	2,539,337	825,754
Total Primary Government	$ 50,689,652	$ 18,123,054	$ 16,414,395	$ 1,187,905

General Revenues:
Property Taxes Levied for:
General Purposes
Developmental Disabilities
Children Services
Sales Taxes Levied for:
General Purposes
Permanent Improvements
Unrestricted Grants and Contributions
Unrestricted Investment Earnings
Miscellaneous
Transfers
Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year
Net Position at End of Year

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
(2,696,938)		(2,696,938)
(1,859,655)		(1,859,655)
(4,759,988)		(4,759,988)
(2,223,770)		(2,223,770)
349,777		349,777
(4,277,663)		(4,277,663)
(4,262)		(4,262)
(157,028)		(157,028)
15,532		15,532
(246,572)		(246,572)
(15,860,567)		(15,860,567)
	1,250,788	1,250,788
	(354,519)	(354,519)
	896,269	896,269
$ (15,860,567)	$ 896,269	$ (14,964,298)
2,519,744	-	2,519,744
3,422,770	-	3,422,770
1,306,760	-	1,306,760
7,223,018	-	7,223,018
3,611,521	-	3,611,521
1,634,987	-	1,634,987
488,979	2,107	491,086
328,837	-	328,837
(93,106)	93,106	-
20,443,510	95,213	20,538,723
4,582,943	991,482	5,574,425
84,843,302	19,776,964	104,620,266
$ 89,426,245	$ 20,768,446	$ 110,194,691

LOGAN COUNTY

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2016

	General Fund	Auto and Gas Fund	Developmental Disabilities Fund	Capital Improvements Fund
Assets:				
Equity in Pooled Cash and Investments	$ 5,322,695	$ 1,902,895	$ 7,385,070	$ 3,388,727
Receivables:				
Taxes	4,768,380	-	3,779,715	-
Accounts	128,830	4,792	75	-
Special Assessments	-	-	-	-
Accrued Interest	39,333	-	-	-
Intergovernmental	475,995	2,104,446	199,386	245,360
Prepaid Items	211,677	25,405	6,449	-
Materials and Supplies Inventory	-	686,827	-	-
Due From Other Funds	10,520	-	-	-
Advances to Other Funds	15,781	-	-	-
Loans Receivable	311,304	-	-	-
Total Assets	$ 11,284,515	$ 4,724,365	$ 11,370,695	$ 3,634,087
Liabilities:				
Accounts Payable	$ 269,486	$ 73,040	$ 120,560	$ 162,863
Accrued Wages	219,827	59,087	81,264	-
Due to Other Governments	134,244	34,062	40,182	-
Matured Compensated Absences	15,425	-	-	-
Due To Other Funds	-	-	-	-
Advances from Other Funds	-	-	-	-
Accrued Interest Payable	-	-	-	3,656
Notes Payable	-	-	-	6,000,000
Total Liabilities	638,982	166,189	242,006	6,166,519
Deferred Inflows of Resources:				
Property and Other Local Taxes	2,628,313	-	3,419,749	-
Unavailable Revenue	1,889,979	1,769,800	429,265	125,000
Total Deferred Inflows of Resources	4,518,292	1,769,800	3,849,014	125,000
Fund Balances:				
Nonspendable:				
Inventory	-	686,827	-	-
Advances	15,781	-	-	-
Prepaids	211,677	25,405	6,449	-
Unclaimed Monies	138,586	-	-	-
Loans	262,952	-	-	-
Restricted:				
Legislative and Executive	-	-	-	-
Public Safety	-	-	-	-
Human Services	-	-	7,273,226	-
Public Works	-	2,076,144	-	-
Urban Redevelopment and Housing	-	-	-	-
Judicial	-	-	-	-
Economic Development and Assistance	-	-	-	-
Committed:				
Health	28,847	-	-	-
Public Safety	-	-	-	-
Assigned:				
Human Services	33,378	-	-	-
Public Safety	38,908	-	-	-
Judicial	722,236	-	-	-
Legislative and Executive	269,531	-	-	-
Capital Projects	-	-	-	-
Public Works	1,914	-	-	-
Unassigned	4,403,431	-	-	(2,657,432)
Total Fund Balances	6,127,241	2,788,376	7,279,675	(2,657,432)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 11,284,515	$ 4,724,365	$ 11,370,695	$ 3,634,087

See accompanying notes to the basic financial statements

Other Governmental Funds	Total Governmental Funds
$ 11,482,390	$ 29,481,777
2,322,091	10,870,186
57,666	191,363
104,747	104,747
-	39,333
280,110	3,305,297
55,415	298,946
-	686,827
10,000	20,520
-	15,781
-	311,304
$ 14,312,419	$ 45,326,081
$ 523,855	$ 1,149,804
156,082	516,260
91,166	299,654
-	15,425
20,520	20,520
15,781	15,781
-	3,656
-	6,000,000
807,404	8,021,100
1,293,516	7,341,578
999,820	5,213,864
2,293,336	12,555,442
-	686,827
-	15,781
55,415	298,946
-	138,586
-	262,952
1,508,797	1,508,797
422,821	422,821
2,423,592	9,696,818
3,463,385	5,539,529
55,971	55,971
786,074	786,074
404,442	404,442
1,531,078	1,559,925
170,898	170,898
22,737	56,115
-	38,908
-	722,236
-	269,531
158,899	158,899
211,670	213,584
(4,100)	1,741,899
11,211,679	24,749,539
$ 14,312,419	$ 45,326,081

See accompanying notes to the basic financial statements

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LOGAN COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2016

Total Governmental Fund Balances		$ 24,749,539
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		80,261,727
Other long-term assets are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds.		
	Sales Taxes	1,877,933
	Property Taxes	506,655
	Special Assessments	65,020
	Intergovernmental	2,696,377
	Accounts Receivable	33,345
	Accrued Interest on Investments	34,534
The net pension asset and net pension liability are not due and payable in the current period; therefore, the net pension asset and net pension liability and related deferred inflows/outflows are not reported in governmental funds:		
	Net Pension Asset	58,393
	Deferred Outflows - Pension	7,327,452
	Deferred Inflows - Pension	(521,236)
	Net Pension Liability	(20,219,081)
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds:		
	Accrued Interest Payable	(11,831)
	Various Purpose Bonds	(5,900,000)
	Loans Payable	(272,109)
	Unamortized Premium	(106,697)
	Compensated Absences Payable	(1,153,776)
Net Position of Governmental Activities		$ 89,426,245

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	General Fund	Auto and Gas Fund	Developmental Disabilities Fund	Capital Improvements Fund
Revenues:				
Sales Taxes	$ 7,021,293	$ -	$ -	$ -
Property Taxes	2,536,754	-	3,462,564	-
Intergovernmental	1,098,634	3,980,581	2,210,200	670,680
Investment Income	499,082	-	-	-
Licenses and Permits	335,004	-	-	-
Fines and Forfeitures	207,756	49,976	-	-
Special Assessments	-	-	-	-
Charges for Services	2,041,705	256,054	442,786	-
Miscellaneous	332,789	59,552	211,855	-
Total Revenues	14,073,017	4,346,163	6,327,405	670,680
Expenditures:				
Current:				
General Government:				
Legislative and Executive	4,005,175	-	-	-
Judicial	2,249,777	-	-	-
Public Safety	4,646,608	-	-	-
Public Works	256,468	4,041,047	-	-
Health	131,221	-	-	-
Human Service	475,867	-	5,135,542	-
Economic Development and Assistance	-	-	-	-
Urban Redevelopment and Housing	-	-	-	-
Capital Outlay	-	-	-	2,140,510
Debt service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	81,356
Bond Anticipation Note Issuance Costs	-	-	-	27,243
Total Expenditures	11,765,116	4,041,047	5,135,542	2,249,109
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,307,901	305,116	1,191,863	(1,578,429)
Other Financing Sources (Uses):				
Issuance of Loan	272,109	-	-	-
Premium on Bond Anticipation Notes	-	-	-	30,060
Transfers In	-	-	-	-
Transfers Out	(943,986)	-	-	-
Total Other Financing Sources (Uses)	(671,877)	-	-	30,060
Net Change in Fund Balances	1,636,024	305,116	1,191,863	(1,548,369)
Fund Balance, Beginning of Year	4,491,217	2,521,015	6,087,812	(1,109,063)
Increase (Decrease) in Inventory	-	(37,755)	-	-
Fund Balance, End of Year	$ 6,127,241	$ 2,788,376	$ 7,279,675	$ (2,657,432)

See accompanying notes to the basic financial statements

Other Governmental Funds	Total Governmental Funds
$ 3,510,865	$ 10,532,158
1,307,770	7,307,088
7,657,120	15,617,215
126	499,208
90,171	425,175
38,580	296,312
40,370	40,370
3,155,233	5,895,778
651,797	1,255,993
16,452,032	41,869,297
593,581	4,598,756
834,316	3,084,093
893,323	5,539,931
2,569,847	6,867,362
1,343,149	1,474,370
7,130,810	12,742,219
203,865	203,865
995,081	995,081
-	2,140,510
600,000	600,000
153,968	235,324
-	27,243
15,317,940	38,508,754
1,134,092	3,360,543
-	272,109
-	30,060
1,053,931	1,053,931
(203,051)	(1,147,037)
850,880	209,063
1,984,972	3,569,606
9,226,707	21,217,688
-	(37,755)
$ 11,211,679	$ 24,749,539

See accompanying notes to the basic financial statements

LOGAN COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Net Change in Fund Balances - Total Governmental Funds		$ 3,569,606
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
	Capital Outlays	5,872,737
	Depreciation	(4,535,965)
Loss on disposal of Capital Assets is not recorded in the Governmental funds but is recorded in the Statement of Activities		(13,674)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Sales Taxes	302,381
	Property Taxes	(57,814)
	Charges for Services	12,629
	Intergovernmental Grants	254,981
	Special Assessments	(28,328)
	Interest Income	(10,229)
	Miscellaneous	300
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		1,662,144
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability are reported as pension expense in the statement of activities.		(2,659,685)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
	Loans Issued	(272,109)
	Bond and Note Principal Repayments	600,000
	Bond Premium Amortization	14,995
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		1,000
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
	Change in Inventory	(37,755)
	Compensated Absences	(92,271)
Change in Net Position of Governmental Activities		$ 4,582,943

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Original Budget	Final Budget	Actual	Variance (Over)/Under
Revenues:				
Sales Taxes	$ 9,300,000	$ 10,350,000	$ 10,417,215	$ 67,215
Property Taxes	2,523,000	2,523,000	2,511,719	(11,281)
Intergovernmental	1,458,000	1,615,891	1,815,653	199,762
Investment Income	183,200	403,200	414,226	11,026
Licenses and Permits	208,120	208,120	335,004	126,884
Fines and Forfeitures	229,500	229,500	224,501	(4,999)
Charges for Services	1,755,855	1,830,855	1,662,566	(168,289)
Miscellaneous	342,325	342,325	379,105	36,780
Total Revenues	16,000,000	17,502,891	17,759,989	257,098
Expenditures:				
Current:				
General Government:				
Legislative and Executive	5,063,866	4,867,868	4,693,424	174,444
Judicial	1,790,733	2,290,304	2,260,593	29,711
Public Safety	4,454,841	5,086,776	5,026,557	60,219
Public Works	252,802	290,836	288,674	2,162
Health	204,824	135,959	133,239	2,720
Human Service	547,709	685,074	557,969	127,105
Total Expenditures	12,314,775	13,356,817	12,960,456	396,361
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,685,225	4,146,074	4,799,533	653,459
Other Financing Sources (Uses):				
Issuance of Loan	-	272,109	272,109	-
Advances In	-	-	32,520	32,520
Transfers In	-	-	66,638	66,638
Transfers Out	(3,941,550)	(4,394,677)	(4,394,131)	546
Total Other Financing Sources (Uses)	(3,941,550)	(4,122,568)	(4,022,864)	99,704
Net Change in Fund Balances	(256,325)	23,506	776,669	753,163
Fund Balance, Beginning of Year	2,418,222	2,418,222	2,418,222	-
Prior Year Encumbrances Appropriated	597,326	597,326	597,326	-
Fund Balance, End of Year	$ 2,759,223	$ 3,039,054	$ 3,792,217	$ 753,163

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
AUTO AND GAS FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Original Budget	Final Budget	Actual	Variance (Over)/Under
Revenues				
Intergovernmental	$ 3,942,000	$ 3,942,000	$ 3,993,608	$ 51,608
Investment Income	1,000	1,000	-	(1,000)
Fines and Forfeitures	64,000	64,000	54,241	(9,759)
Charges for Services	203,000	203,000	256,054	53,054
Miscellaneous	61,800	61,800	58,983	(2,817)
Total Revenues	4,271,800	4,271,800	4,362,886	91,086
Expenditures:				
Current:				
Public Works	5,231,029	5,231,029	4,135,951	1,095,078
Total Expenditures	5,231,029	5,231,029	4,135,951	1,095,078
Net Change in Fund Balances	(959,229)	(959,229)	226,935	1,186,164
Fund Balance, Beginning of Year	1,416,603	1,416,603	1,416,603	-
Prior Year Encumbrances Appropriated	142,229	142,229	142,229	-
Fund Balance, End of Year	$ 599,603	$ 599,603	$ 1,785,767	$ 1,186,164

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
DEVELOPMENTAL DISABILITIES FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Original Budget	Final Budget	Actual	Variance (Over)/Under
Revenues				
Property Taxes	$ 3,769,000	$ 3,769,000	$ 3,436,657	$ (332,343)
Intergovernmental	1,499,611	1,499,611	2,210,200	710,589
Charges for Services	418,800	418,800	442,786	23,986
Miscellaneous	245,732	245,732	283,972	38,240
Total Revenues	5,933,143	5,933,143	6,373,615	440,472
Expenditures:				
Current:				
Human Service	6,788,907	6,788,907	5,595,880	1,193,027
Total Expenditures	6,788,907	6,788,907	5,595,880	1,193,027
Excess (Deficiency) of Revenues Over (Under) Expenditures	(855,764)	(855,764)	777,735	1,633,499
Other Financing Sources (Uses):				
Transfers Out	(250,000)	(250,000)	(250,000)	-
Total Other Financing Sources (Uses)	(250,000)	(250,000)	(250,000)	-
Net Change in Fund Balances	(1,105,764)	(1,105,764)	527,735	1,633,499
Fund Balance, Beginning of Year	6,133,110	6,133,110	6,133,110	-
Prior Year Encumbrances Appropriated	276,657	276,657	276,657	-
Fund Balance, End of Year	$ 5,304,003	$ 5,304,003	$ 6,937,502	$ 1,633,499

See accompanying notes to basic financial statements

LOGAN COUNTY

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds		
Assets	Water Pollution Control	Logan Acres Home	Total
Current Assets:			
Equity in Pooled Cash and Investments	$ 6,371,033	$ 5,459,485	$ 11,830,518
Cash and Cash Equivalents With Fiscal Agents	10,320	400,229	410,549
Receivables:			
Accounts	523,169	113,848	637,017
Special Assessments	877,760	-	877,760
Intergovernmental	-	245,743	245,743
Prepaid Items	8,008	51,834	59,842
Total Current Assets	7,790,290	6,271,139	14,061,429
Noncurrent Assets:			
Nondepreciable Capital Assets	209,800	-	209,800
Depreciable Capital assets, Net	26,739,445	12,958,838	39,698,283
Total Noncurrent Assets	26,949,245	12,958,838	39,908,083
Total Assets	34,739,535	19,229,977	53,969,512
Deferred Outflows of Resources			
Deferred Charge on Refunding	-	161,155	161,155
Pension	382,826	1,906,976	2,289,802
Total Deferred Inflows of Resources	382,826	2,068,131	2,450,957
Liabilities			
Current Liabilities			
Accounts Payable	76,747	173,364	250,111
Accrued Wages	23,661	135,925	159,586
Due to Other Governments	13,539	77,576	91,115
Accrued Interest Payable	135,697	36,399	172,096
Compensated Absences Payable	24,119	86,880	110,999
Revenue Bonds Payable	621,722	380,000	1,001,722
Total Current Liabilities	895,485	890,144	1,785,629
Long-Term Liabilities:			
Compensated Absences Payable	47,684	102,202	149,886
Revenue Bonds Payable	16,363,378	11,465,000	27,828,378
Unamortized Bond Premium	25,496	313,372	338,868
Net Pension Liability	907,980	4,536,092	5,444,072
Total Long-Term Liabilities	17,344,538	16,416,666	33,761,204
Total Liabilities	18,240,023	17,306,810	35,546,833
Deferred Inflows of Resources			
Pension	17,544	87,646	105,190
Total Deferred Inflows of Resources	17,544	87,646	105,190
Net Position			
Net Investment in Capital Assets	9,964,145	961,621	10,925,766
Unrestricted	6,900,649	2,942,031	9,842,680
Total Net Position	$ 16,864,794	$ 3,903,652	$ 20,768,446

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Total
Operating Revenues			
Charges for Services	$ 2,374,473	$ 6,156,882	$ 8,531,355
Special Assessments	1,925,504	-	1,925,504
Intergovernmental	-	2,539,337	2,539,337
Miscellaneous	58,865	7,878	66,743
Total Operating Revenues	4,358,842	8,704,097	13,062,939
Operating Expenses			
Personal Services	899,425	5,064,096	5,963,521
Contractual Services	1,014,620	2,320,055	3,334,675
Materials and Supplies	214,710	615,253	829,963
Miscellaneous	23,450	226,507	249,957
Depreciation	1,128,151	394,950	1,523,101
Total Operating Expenses	3,280,356	8,620,861	11,901,217
Operating Income	1,078,486	83,236	1,161,722
Nonoperating Revenues (Expenses)			
Interest Income	2,107	-	2,107
Intergovernmental	825,754	-	825,754
Interest and Fiscal Charges	(653,452)	(437,755)	(1,091,207)
Total Non-Operating Revenues (Expenses)	174,409	(437,755)	(263,346)
Income Before Transfers	1,252,895	(354,519)	898,376
Transfers In	93,106	-	93,106
Change in Net Position	1,346,001	(354,519)	991,482
Net Position, Beginning of Year	15,518,793	4,258,171	19,776,964
Net Position, End of Year	$ 16,864,794	$ 3,903,652	$ 20,768,446

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash received from Services	$ 4,381,045	$ 6,348,311	$ 10,729,356
Cash Received from Other Governments	-	2,503,107	2,503,107
Cash Received from Other Operating Sources	64,097	8,793	72,890
Cash Payments to Employees for Services	(819,165)	(4,846,910)	(5,666,075)
Cash Payments to Suppliers for Goods and Services	(1,274,457)	(2,995,102)	(4,269,559)
Cash Payments for Other Services	(22,517)	(230,081)	(252,598)
Net Cash Flows from Operating Activities	2,329,003	788,118	3,117,121
Cash Flows from Capital and Related Financing Activities			
Payments for Capital Acquisitions	(452,930)	(37,663)	(490,593)
Principal Payments	(564,400)	(320,000)	(884,400)
Interest and Fiscal Charges Paid	(638,708)	(446,387)	(1,085,095)
Intergovernmental	825,754	-	825,754
Transfers In	93,106	-	93,106
Net Cash Flows from Capital and Related Financing	(737,178)	(804,050)	(1,541,228)
Cash Flows from Investing Activities			
Interest Income	2,107	-	2,107
Net Cash Flows from Investing Activities	2,107	-	2,107
Net Increase/(Decrease) in Cash and Cash Equivalents	1,593,932	(15,932)	1,578,000
Cash and Cash Equivalents at Beginning of Year	4,787,421	5,875,646	10,663,067
Cash and Cash Equivalents at End of Year	$ 6,381,353	$ 5,859,714	$ 12,241,067

LOGAN COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Total
Reconciliation of Operating Income to Net Cash Flows from Operating Activities:			
Operating Income	$ 1,078,486	$ 83,236	$ 1,161,722
Adjustments:			
Net Cash from Operating Activities:			
Depreciation Expense	1,128,151	394,950	1,523,101
(Increase)/Decrease in Assets:			
Accounts Receivable	(15,660)	192,344	176,684
Special Assessments Receivable	101,960	-	101,960
Due from Other Governments	-	(36,230)	(36,230)
Prepaid Items	1,067	(9,407)	(8,340)
Increase in Deferred Outflows of Resources - Pension	(263,814)	(1,338,119)	(1,601,933)
Increase/(Decrease) in Liabilities:			
Accounts Payable	(44,194)	(64,440)	(108,634)
Accrued Wages	(372)	7,948	7,576
Compensated Absences Payable	1,614	16,187	17,801
Due to Other Governments	(5,315)	(73,525)	(78,840)
Net Pension Liability	339,523	1,579,470	1,918,993
Increase in Deferred Inflows of Resources - Pension	7,557	35,704	43,261
Total Adjustments	1,250,517	704,882	1,955,399
Net Cash Flows from Operating Activities	$ 2,329,003	$ 788,118	$ 3,117,121

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016

	Private Purpose Trust Fund	Agency Funds
Assets		
Equity in Pooled Cash and Cash Equivalents	$ 83,629	$ 3,484,462
Cash and Cash Equivalents with Fiscal Agents	-	435,126
Receivables:		
Taxes	-	44,724,942
Special Assessments	-	748,256
Intergovernmental	-	2,244,853
Prepaid items	-	64,278
Total Assets	83,629	51,701,917
Liabilities		
Accounts Payable	-	69,515
Due To Other Governments	-	47,269,919
Undistributed Monies	-	4,323,848
Accrued Wages	-	38,635
Total Liabilities	-	51,701,917
Net Position		
Held in Trust for Veterans:		
Non-Expendable	70,787	-
Expendable	12,842	-
Total Net Position	$ 83,629	$ -

LOGAN COUNTY

STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Private Purpose Trust Fund
Additions	
Investment Income	$ 674
Total Additions	674
Deductions	
Other Operating Expense	50
Total Deductions	50
Change in Net Position	624
Net Position at Beginning of Year	83,005
Net Position at End of Year	$ 83,629

See accompanying notes to the basic financial statements

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NOTE 1 – REPORTING ENTITY

The County of Logan (the County) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County was formed by an act of the Ohio General Assembly in 1818. The three-member Board of County Commissioners is the legislative and executive body of the County. The County Auditor is the chief fiscal officer. In addition, there are seven other elected administrative officials, each of whom is independent as set forth in Ohio Law. The officials are: Clerk of Courts, Coroner, Engineer, Prosecutor, Recorder, Sheriff, and Treasurer. The County's basic financial statements include accounts of all County's operations. The County's major operations include human and social services, certain health care and community assistance services, civil and criminal justice systems, road and bridge maintenance and general administrative services. In addition, the county also operates a water pollution control system and provides home services for individuals of the County.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financials are not misleading. The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County. The County provides public safety protection within its boundaries and adjacent townships by mutual agreement contracts. The County provides basic utilities in the form of wastewater treatment. The County constructs and maintains roads and bridges within the County. The County also operates and maintains a recreation and conservation system.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the County in that the County approves their budget, the issuance of their debt or the levying of their taxes. Based on the foregoing criteria, the County does not have any component units.

JOINTLY GOVERNED ORGANIZATIONS

County Risk Sharing Authority, Inc. (CORSA) - CORSA is jointly governed by sixty-two counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, to be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the CORSA. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

NOTE 1 – REPORTING ENTITY (Continued)

RELATED ORGANIZATIONS

Knowlton Public Library - The County is not involved in the budgeting process or operational management of the Library, nor does it subsidize or finance its operations. The County acts as the Library's debt servicing agent only to comply with statutory requirements.

EXCLUDED POTENTIAL COMPONENT UNITS

As counties are structured in Ohio, the County Auditor and County Treasurer, respectively, serve as fiscal officer and custodian of funds for various agencies, boards, and commissions. As fiscal officer, the Auditor certifies the availability of cash and appropriations prior to the processing of payments and purchases. As the custodian of all public funds, the Treasurer invests public monies held on deposit in the County Treasury.

In the case of the separate agencies, boards, and commissions listed below, the County serves as fiscal agent and custodian, but does not exercise primary oversight responsibility; accordingly, the following have been excluded from the County's basic financial statements:

Logan County Board of Health - The six-member Board of Health is appointed by the District Advisory Council, which consists of Township Trustee Chairmen, Clerks and Mayors of participating municipalities. The Board adopts its own budget and operates autonomously from the County.

Soil and Water Conservation District - The five members of the District are independently elected officials. They adopt their own budget and control their separate operations.

Management believes the financial statements included in this report represent all of the funds of the County over which the County has the ability to exercise direct operating control.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below:

(a) **Basis of Presentation**

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except the fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of net position presents the financial condition of the governmental and business-type activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County programs or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at a more detail level. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

(b) Fund Accounting

The County uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The General Fund, Auto and Gas Fund, Board of Developmental Disabilities Fund, and Capital Improvements Fund are the County's major governmental funds:

General Fund - The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Auto and Gas Fund - The Auto and Gas Fund is used to account for monies received by the Ohio Public Works Commission and the County for State gasoline tax and vehicle registration fees used for County road and bridge improvement programs.

Developmental Disabilities Fund - The Developmental Disabilities Fund is used to account for a County-wide property tax levy and state and federal grants and reimbursements used for care and services for individuals with developmental disabilities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Improvements Fund - The Capital Improvements Fund is used to account for monies received by the Casino Revenue and debt proceeds used for building construction and improvements within the County.

The other governmental funds of the County are for grants and other resources, debt service, and capital projects of the County whose uses are restricted, committed, or assigned to a particular purpose.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The County's two major enterprise funds are:

Water Pollution Control Fund **-** The Water Pollution Control fund is used to account for the financial transactions related to the water treatment service operations of the County.

Logan Acres Home Fund - The Logan Acres Home Fund is used to account for home services for individuals of Logan County.

Fiduciary Funds

Fiduciary funds reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. The County does not have any pension trust funds or investment trust funds.

Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. The County's only trust fund (Chase Stuart Fund) is a private trust fund recorded as part of the fiduciary funds activities because the fund does not support any of the County's programs.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's agency funds account for assets held in an exclusively custodial capacity by the County as fiscal agent for other entities, and for various taxes, state-shared revenues and fines and forfeitures collected on behalf of and distributed to other local governments. Agency fund transactions typically involve only the receipt, temporary investment and distribution of these fiduciary resources.

(c) **Measurement Focus**

Government Wide Financial Statements

The Government-wide Financial Statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the County are included on the Statement of Net Position.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and others financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e. revenues) and decreases (i.e. expenses) in net position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

(d) **Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unavailable revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within thirty days of year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used of the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: property taxes available as an advance, interest, grants, and rentals.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unavailable Revenue

On the governmental funds balance sheet, unavailable revenue represent receivables that do not meet the County's availability criteria for recognition in the current period, such as sales taxes, special assessments, gasoline taxes, motor vehicle license fees, homestead and rollback funding, permissive license taxes, local government funds, state and federal grants, and delinquent property taxes, whose availability is indeterminate. In subsequent periods, when revenue recognition criteria are met, the unavailable revenue deferral is removed from the balance sheet and revenue is recognized.

Property and Other Local Taxes

On the government-wide statement of net position and governmental funds balance sheet, property and other local taxes represents property taxes and special assessments for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance year 2017 operations.

Revenue sources not susceptible to accrual include dog and vendor licenses, donations and some fines and forfeitures.

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocation of cost, such as depreciation and amortization, are not recognized in governmental funds.

(e) **Budget**

An annual appropriated budget is legally required to be prepared for all funds of the County other than agency funds. The Commissioners appropriate at the major account level within a division and fund. The appropriation level accounts for the County include personal services, fringe benefits, county share of the Public Employees Retirement System, unemployment compensation, materials and supplies, services and charges, grants, capital outlays, debt service, interfund transfers, and other expenses. For funds, which the Commissioners directly appropriate, transfers of appropriations at the major account level or between appropriation levels require a resolution signed by at least two Commissioners.

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the County Auditor by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2016.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Appropriations:

A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period of January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution fixes spending authority at the fund, department, and object level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an approval by at least two Commissioners. Several supplemental appropriation resolutions were legally enacted by the Commissioners during the year and were considered routine. The budget figures, which appear in the statement of budgetary comparisons, present the original and final appropriation amounts including all amendments and modifications.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, General Fund encumbrances outstanding at year-end are reported as Assigned for Encumbrances.

Lapsing of Appropriations:

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and need not be reappropriated.

(f) Cash and Investments

For GASB reporting purposes the County considers "Equity in Pooled Cash and Investments" to be cash on hand, demand deposits, and all investments held by the County Treasurer; and "Cash and Cash Equivalents with Fiscal Agents" to be all cash, deposits, and investments not held by the County Treasurer or in the County's investment pool. The County Treasurer, by statute, invests all short-term cash surpluses. The residual investments are reported on the balance sheet as "Equity in Pooled Cash and Investments". Interest income credited to the General Fund in 2016 totaled $499,082.

During 2016, investments were limited to federal agency securities, negotiable certificates of deposit, a corporate note, and a money market fund. Money market funds are reported at the net asset value (NAV) per share. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. All other investments are reported at fair value (See Note 4). Premiums paid for coupon bearing investments are amortized using the straight-line method; discounts are not amortized.

(g) Inventories

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first in, first out basis. Inventory in governmental funds consist of expendable supplies held for consumption. The cost of inventory items is recorded as expenditures in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

(i) Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the government funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of $5,000 dollars. Public domain ("infrastructure") general capital assets consisting of roads and bridges have been capitalized in accordance with requirements of the Governmental Accounting Standards Board. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated, with the exception of land including land under road base. Improvements are depreciated over the remaining useful life of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities	Business-Type Activities
Land	N/A	N/A
Improvements Other Than Buildings	15 years	15 years
Buildings and Improvements	30-100 years	30-100 years
Appliances	15 years	15 years
Furniture, Fixtures, and Equipment	10-20 years	10-20 years
Computer, Electronic, and Small Equipment	5-10 years	5-10 years
Vehicles	5-10 years	5-10 years
Infrastructure - Water and Sewer Lines	N/A	70 years
Infrastructure - Pavement	15 years	N/A
Infrastructure - Base Roadways	75 years	N/A

(j) Interfund Balances

On fund financial statements, receivables and payables resulting from interfund loans are classified as "Due to/From Other Funds" or "Advances To/From Other Funds", the latter not expected to be repaid within one year, and outstanding repayments from funds responsible for particular expenditures to the funds that initially paid for them are classified as "Interfund Receivable/Payable". All of these amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Presently, there are no internal balances.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the County, deferred outflows of resources are reported on the government-wide and proprietary fund statements of net position for deferred charge on refunding and pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 12.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the County, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental funds balance sheet. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the County, unavailable revenue includes delinquent property taxes, sales taxes, intergovernmental grants and entitlements, and other revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position and are explained in Note 12.

(l) Compensated Absences

Compensated absences of the County consist of vacation leave and sick leave to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the County and the employee.

In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements.

County employees earn vacation at varying rates ranging from two to five weeks per year. Sick leave is accumulated at the rate of three weeks per year. Vacation and sick leave is accumulated on an hours-worked basis. Accumulated vacation cannot exceed three times the annual accumulation rate for an employee. The County does not accrue a liability for non-vested sick leave or vacation benefits except as required by GASB 16 (see above).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide and proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and other long-term obligations are recognized as a liability on the fund financial statements when due.

(n) Fund Balance

In accordance with Governmental Accounting Standards Board Statements No. 54, Fund Balance Reporting, the County classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories were used:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – The committed fund balance classification includes amounts that can be used for the specified purposes imposed by a formal action (resolution) of the County Commissioners (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the County Commissioners remove or change the specified use by taking the same action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the County Commissioners, which includes giving the County Auditor the authority to constrain monies for intended purposes.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In Other Governmental Funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County applies restricted resources first when disbursements are incurred for purposes for which both restricted and unrestricted (committed, assigned and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The County considers assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

(o) **Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The majority of net position reported as restricted represent state and federal grants and entitlements. The County did not have any restrictions through enabling legislation at year-end.

(p) **Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are water pollution control and county home resident charges for services. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund.

(q) **Capital Contributions**

Capital Contributions in proprietary fund financial statements arise from outside contributions of capital assets, from grant or outside contributions of resources restricted to capital acquisition and construction, or from capital related transactions with governmental funds.

(r) **Interfund Activity**

Transfers between governmental and business-type activities on the governmental-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expense in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented of the financial statements.

(s) **Pensions**

For purposes of measuring the net pension asset, net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) **Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Commissioners and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the current fiscal year.

(u) **Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

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NOTE 3 – BUDGET BASIS OF ACCOUNTING

While reporting financial position, results of operations and changes in fund balance on the GAAP basis, the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

(a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

(b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

(c) Encumbrances are treated as expenditures (budget basis) rather than Assigned or Restricted fund balance (GAAP).

(d) Due to the implementation of GASB 54, some funds were reclassified to the General Fund. These funds are not required to be included in the General Fund Budgetary Statement. Therefore, the activity from these funds is excluded with an adjustment for their change in fund balance.

Adjustments necessary to convert the results of operations at the end of the year on the Budget basis to the GAAP basis are as follows:

	Net Change in Fund Balances		
	General Fund	Auto and Gas Fund	Developmental Disabilities Fund
Budget Basis	$ 776,669	$ 226,935	$ 527,735
Revenue Accruals	(4,099,964)	(16,723)	(46,210)
Expenditure Accruals	1,000,959	(22,224)	12,770
Other Sources/Uses	3,417,625	-	250,000
Encumbrances	540,621	117,128	447,568
Unclaimed Funds Activities	(8,484)	-	-
Recorder Equipment	6,008	-	-
Certificate of Title	2,590	-	-
GAAP Basis	$ 1,636,024	$ 305,116	$ 1,191,863

NOTE 4 – DEPOSITS AND INVESTMENTS

State statutes classify deposits held by the County into two categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such moneys must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the County has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Inactive moneys may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

6. The State Treasurer's investment pool (STAR Ohio);

7. Certain banker's acceptance and commercial paper notes in an amount not to exceed 25 percent of the interim monies available for investment at any one time for a period not to exceed one hundred eighty days,

8. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts; and

9. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in divisions in divisions (1) or (2) of this section or cash or both securities and cash, equal value for equal value.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon the delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

(a) Cash on Hand

At year-end, the County Treasurer had $8,000 in undeposited drawer and petty cash funds that is included in the financial statements as “Equity in Pooled Cash and Investments.

(b) Deposits with Financial Institutions

At year-end, the carrying amount of the County's deposits, including cash with fiscal agents, was $38,719,637 and the bank balance was $38,776,853. Of the County’s bank balance, $16,228,269 was covered by the Federal Deposit Insurance Corporation, while the remaining balance was exposed to custodial credit risk, as discussed below.

Custodial credit risk is the risk that, in the event of bank failure, the County’s deposits may not be returned. Protection of the County’s cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. By law, all financial institutions must collateralize all public deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the County.

(c) Investments

Interest Rate Risk: Interest rate risk is the risk that an interest rate change could adversely affect an investment’s fair value. The reporting of effective duration in the table below quantifies, to the fullest extent possible, the interest rate risk of the County’s fixed income assets.

		Investment Maturities		
Investment Type	Value	Less than one year	1 to 2 years	Greater than 2 years
Federal Farm Credit Bank	$ 995,540	$ -	$ -	$ 995,540
Brokered Certificate of Deposit	4,234,800	498,185	1,226,794	2,509,821
Federal National Mortgage Association	20,759	-	-	20,759
Corporate Note	746,670	-	746,670	-
Government National Mortgage Association	5,164	107	5,057	-
Money Market	995,491	995,491	-	-
Total	$ 6,998,424	$ 1,493,783	$ 1,978,521	$ 3,526,120

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Credit Risk: Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. At year-end, the County's investments were rated as follows:

		Standard and Poor's Ratings			
Investment Type	Value	AAA	AA+	AA-	Not Rated
Federal Farm Credit Bank	$ 995,540	$ -	$ 995,540	$ -	$ -
Brokered Certificate of Deposit	4,234,800	-	-	-	4,234,800
Federal National Mortgage Association	20,759	20,759	-	-	-
Corporate Note	746,670	-	-	746,670	-
Government National Mortgage Association	5,164	5,164	-	-	-
Money Market	995,491	-	-	-	995,491
Total	$ 6,998,424	$ 25,923	$ 995,540	$ 746,670	$ 5,230,291

The County's investment policy does not restrict individual investments except for those mentioned in the Ohio Rev. Code Section 135.35.

Concentration of Credit Risk: Concentration of credit risk is the risk of inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification. The County places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the County at December 31, 2016:

Investment Type	Value	% of Total
Federal Farm Credit Bank	$ 995,540	14.23%
Brokered Certificate of Deposit	4,234,800	60.51%
Federal National Mortgage Association	20,759	0.30%
Corporate Note	746,670	10.67%
Government National Mortgage Association	5,164	0.07%
Money Market	995,491	14.22%
Total	$ 6,998,424	100%

The County measures their investment in the money market fund at the net asset value (NAV) per share provided by the investment manager. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. All other investments are reported at fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the City's investments reported at fair value are valued using quoted market prices (Level 1 inputs).

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

(d) Reconciliation of Cash on Hand, Deposits and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net position as of December 31, 2016:

Cash and Investments Per Note		
Carrying Amount of Deposits	$	38,719,637
Investments		6,998,424
Cash on Hand		8,000
Total	$	45,726,061
Cash and Investments Per Statements of Net Position		
Governmental and Business-Type Activities	$	41,722,844
Private-Purpose Trust Funds		83,629
Agency Funds		3,919,588
Total	$	45,726,061

(e) Deficit Fund Balances

The following governmental funds had deficit fund balances at December 31, 2016 as a result of accruals recorded in accordance with accounting principles generally accepted in the United States of America. The General Fund transfers funds when deficit cash balances exist, not when accruals occur.

Fund	Deficit
Capital Improvements Fund	(2,657,432)
JAIBG	(4,100)

NOTE 5 – INTERFUND TRANSFERS

Interfund transfer activity during the fiscal year was as follows:

Fund		Transfers In		Transfers Out
Governmental Funds:				
General Fund	$	-	$	943,986
Other Governmental Funds		1,053,931		203,051
Total Governmental Funds	$	1,053,931	$	1,147,037
Proprietary Funds:				
Indian Lake Water Pollution Control		93,106		-
Total Proprietary Funds	$	93,106	$	-
Totals	$	1,147,037	$	1,147,037

NOTE 5 – INTERFUND TRANSFERS (Continued)

The transfers from the General Fund to Other Governmental Funds represent recurring subsidies for program ($244,744), and debt service ($606,136) expenditures. The transfers from the General Fund to the Indian Lake Water Pollution Control Fund represent normal recurring subsidies for debt service expenditures ($93,106). The $203,051 transfer from Other Governmental Funds to Other Governmental Funds represents a transfer from the Solid Waste District operating fund to the Solid Waste District debt service sinking fund.

NOTE 6 – INTERFUND LOANS

Interfund loan activity during the fiscal year was as follows:

Fund	Beginning Balance	New Advances	Advance Repayments	Ending Balance
General	$ 81,226	$ -	$ (54,925)	$ 26,301
Job and Family Services	(36,821)	-	10,520	(26,301)
Residential Home	-	10,000	-	10,000
JAIBG Grant	(22,000)	(10,000)	22,000	(10,000)
McClure 77 Ditch *	(5,340)	-	5,340	-
South Fork Ditch *	(11,038)	-	11,038	-
Laughlin Ditch *	(6,027)	-	6,027	-
	$ -	$ -	$ -	$ -

These loans related to special assessment projects and grant programs. During 2016, the County forgave the special assessment project advances (*). The County expects all but $15,781 of the outstanding loan amounts to be repaid within one year.

NOTE 7 – RECEIVABLES

Receivables at December 31, 2016, consisted primarily of sales taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments, and accounts receivable. No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Property taxes include amounts levied against all real and public utility property located in the County. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by state law at 35% of appraised market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50% of cost). Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are currently 25% of true value. The total assessed value of real and public utility property for tax year 2015, which was used to collect property taxes in calendar year 2016, was $1,150,540,170. The full tax rate for all County operations applied to real property for the year ended December 31, 2016, was $2.50 per $1,000 of assessed valuation.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due February 10. If paid semi-annually, the first payment is due February 10, and the remainder payable by July 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

NOTE 7 – RECEIVABLES (Continued)

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the tax collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County.

Tangible personal property taxes for unincorporated and single county businesses are due semi-annually, with the first payment due April 30 and the remainder payable by September 20. Due dates are normally extended an additional 30 days. The due date for the entire tax for inter-county businesses is September 20 or the extended date. The first $10,000 of taxable value is exempt from taxation for each business by state law. The lien date is either December 31 or the end of their fiscal year (for incorporated businesses in operation more than one year). Since each business files a return to the County Auditor, the tangible personal taxes are not known until all the returns are received.

Property taxes receivable represents delinquent real and public utility taxes outstanding as of the last settlement and real and public utility taxes which were measurable as of the year end. Since the current levy is not intended to finance 2016 operations, the receivable is offset by a credit to Deferred Inflows of Resources (Property and Other Local Taxes). The delinquent real and public utility taxes that will become available to the County within the first 30 days of 2017 are shown as 2016 revenue; the remainder is shown as "Unavailable Revenue".

The eventual collection of significantly all real and public utility property taxes (both current and delinquent) is reasonably assured due to the County's ability to force foreclosure of the properties on which the taxes are levied.

A detailed breakdown of intergovernmental receivables is as follows:

	Amounts
Governmental Activities:	
Local Government and Revenue Assistance	$ 233,627
Excess IRP Compensation	59,962
Gasoline and Excise Tax	1,157,241
Auto Registration Fees	887,243
Homestead and Rollback	373,684
Casino Revenue Tax	245,360
Indigent Counsel Fees	35,208
Childrens Services Grant	181,198
Traffic Grant	6,045
Jail Program Grant	19,375
CDBG Grant	27,000
Emergency Management Performance	32,361
Bellefontaine Municipal Court	46,993
Total Governmental Activities	$ 3,305,297
Business-Type Activities	
Logan Acres-State Aid	$ 245,743

NOTE 8 – CAPITAL ASSETS

Capital asset activity for Governmental Activities during the fiscal year was as follows:

	Beginning Balance	Additions	Deductions	Transfers	Ending Balance
Nondepreciable Capital Assets					
Land	$ 3,988,984	$ -	$ -	$ -	$ 3,988,984
Construction in Progress	619,096	182,124	-	(619,096)	182,124
Total Nondepreciable Assets	4,608,080	182,124	-	(619,096)	4,171,108
Depreciable Capital Assets					
Land Improvements	654,992	99,569	-	-	754,561
Building and Improvements	26,634,862	2,079,570	-	619,096	29,333,528
Machinery and Equipment	15,785,319	410,917	(23,331)	-	16,172,905
Vehicles	3,683,736	288,743	(36,422)	-	3,936,057
Infrastructure- Roads and Bridges	83,775,260	2,811,814	-	-	86,587,074
Total Depreciable Assets	130,534,169	5,690,613	(59,753)	619,096	136,784,125
Less accumulated depreciation					
Land Improvements	(484,299)	(27,927)	-	-	(512,226)
Building and Improvements	(8,358,098)	(634,158)	-	-	(8,992,256)
Machinery and Equipment	(11,472,228)	(827,729)	13,299	-	(12,286,658)
Vehicles	(2,952,568)	(139,021)	32,780	-	(3,058,809)
Infrastructure- Roads and Bridges	(32,936,427)	(2,907,130)	-	-	(35,843,557)
Total accumulated depreciation	(56,203,620)	(4,535,965)	46,079	-	(60,693,506)
Depreciable Capital Assets, Net of accumulated depreciation	74,330,549	1,154,648	(13,674)	619,096	76,090,619
Total Capital Assets, Net	$ 78,938,629	$ 1,336,772	$ (13,674)	$ -	$ 80,261,727

Depreciation expense was charged to the governmental functions as follows:

General Government	
Legislative	$ 850,838
Judicial	17,531
Conservation and Recreation	4,262
Public Works	3,204,714
Public Safety	230,888
Human Services	134,917
Health	92,815
Total depreciation expense	$ 4,535,965

NOTE 8 – CAPITAL ASSETS (Continued)

Capital asset activity for business-type activities during the fiscal year was as follows:

Water Pollution Control Capital Assets:	Beginning Balance	Additions	Deductions	Transfers	Ending Balance
Nondepreciable Capital Assets					
Land	$ 209,800	$ -	$ -	$ -	$ 209,800
Construction in Progress	44,286	-	-	(44,286)	-
Total Nondepreciable Assets	254,086	-	-	(44,286)	209,800
Depreciable Capital Assets					
Land Improvements	336,647	-	-	-	336,647
Building and Improvements	17,037,635	376,629	-	44,286	17,458,550
Machinery and Equipment	4,754,961	14,090	-	-	4,769,051
Vehicles	1,136,824	62,211	-	-	1,199,035
Infrastructure	21,300,550	-	-	-	21,300,550
Total Depreciable Assets	44,566,617	452,930	-	44,286	45,063,833
Less accumulated depreciation					
Land Improvements	(210,923)	(3,746)	-	-	(214,669)
Building and Improvements	(4,414,698)	(345,000)	-	-	(4,759,698)
Machinery and Equipment	(3,528,931)	(142,048)	-	-	(3,670,979)
Vehicles	(373,108)	(109,427)	-	-	(482,535)
Infrastructure	(8,668,577)	(527,930)	-	-	(9,196,507)
Total accumulated depreciation	(17,196,237)	(1,128,151)	-	-	(18,324,388)
Depreciable Capital Assets, Net of accumulated depreciation	27,370,380	(675,221)	-	44,286	26,739,445
Total Capital Assets, Net	$ 27,624,466	$ (675,221)	$ -	$ -	$ 26,949,245

Logan Acres County Home:	Beginning Balance	Additions	Deductions	Transfers	Ending Balance
Depreciable Capital Assets					
Land Improvements	$ 1,453	$ 14,400	$ -	$ -	$ 15,853
Building and Improvements	16,900,823	-	-	-	16,900,823
Machinery and Equipment	718,737	-	-	-	718,737
Vehicles	71,923	23,263	-	-	95,186
Infrastructure	9,052	-	-	-	9,052
Total Depreciable Assets	17,701,988	37,663	-	-	17,739,651
Less accumulated depreciation					
Land Improvements	(1,242)	(1,098)	-	-	(2,340)
Building and Improvements	(3,674,624)	(380,142)	-	-	(4,054,766)
Machinery and Equipment	(638,234)	(9,773)	-	-	(648,007)
Vehicles	(68,323)	(3,507)	-	-	(71,830)
Infrastructure	(3,440)	(430)	-	-	(3,870)
Total accumulated depreciation	(4,385,863)	(394,950)	-	-	(4,780,813)
Total Capital Assets, Net	$ 13,316,125	$ (357,287)	$ -	$ -	$ 12,958,838

NOTE 9 – LONG TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended December 31, 2016:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Series 2012 A/B - Various Purpose Bonds Issued 11/8/12. 0.65% to 3%	$ 6,500,000	$ -	$ (600,000)	$ 5,900,000	$ 615,000
Series 2012 A/B - Premium	121,692	-	(14,995)	106,697	-
2016 911 System Loan	-	272,109	-	272,109	68,027
Net Pension Liability					
OPERS	12,903,249	5,317,158	-	18,220,407	-
STRS	1,610,733	387,941	-	1,998,674	-
Compensated Absences	1,140,218	1,231,592	(1,202,609)	1,169,201	481,412
Total Governmental Activities	$ 22,275,892	$ 7,208,800	$ (1,817,604)	$ 27,667,088	$ 1,164,439
Business-Type Activities					
Sewer System Improvement Bonds, Series 2007, Issued 03/30/2007, 4.00%	$ 1,705,000	$ -	$ (115,000)	$ 1,590,000	$ 120,000
Sewer System Improvement Revenue Bonds, Series 2007A/B Issued 03/30/07, 4.125%	2,204,500	-	(34,400)	2,170,100	35,800
Sewer System Improvement Bonds Series 2008, Issued 12/17/08 3% to 5%	8,145,000	-	(300,000)	7,845,000	310,000
Series 2012 A/B - Various Purpose Bonds Issued 11/8/12. 0.65% to 3%	1,685,000	-	(115,000)	1,570,000	120,000
Series 2012 A/B - Premium	28,180	-	(2,684)	25,496	-
Sewer System Improvement Bonds Series 2015, Issued 4/16/15, 2.125%	3,810,000	-	-	3,810,000	35,922
County Home Improvement Bonds, Series A Issued 07/21/10, 2.0% to 3.0%	60,000	-	(60,000)	-	-
2014 Refunding Bonds, 3-5% Issued 9/30/14, Matures 12/1/39	12,105,000	-	(260,000)	11,845,000	380,000
2014 Refunding Bonds Premium	328,650	-	(15,278)	313,372	-
Net Pension Liability-OPERS	3,525,079	1,918,993	-	5,444,072	-
Compensated Absences Payable	243,084	274,211	(256,410)	260,885	110,999
Total Business-Type Activities	$ 33,839,493	$ 2,193,204	$ (1,158,772)	$ 34,873,925	$ 1,112,721

In August, 2006, the County issued $3,000,000 of County Home Revenue Bonds and $6,500,000 of County Home Construction Bonds, Series 2006, to finance the construction of a new county home.

In March 2007 the County issued $2,485,000 of Sewer System Improvement General Obligation Bonds, Series 2007, for the purpose of constructing Huntsville-Cherokee-Manns area sanitary sewers.

In March 2007 the County issued $2,410,000 of Sewer System Improvement Revenue Bonds, Series A/B, for the purpose of paying the cost of improving the Logan County Water Pollution Control District by constructing sanitary sewers and installing individual grinder pumping stations.

NOTE 9 – LONG TERM LIABILITIES (Continued)

In December 2008 the County issued $9,500,000 of Sewer System Improvement Bonds, series 2008 for the purpose of paying the cost of improving the wastewater treatment plant, including constructing a new sewage pumping station and associated force main, an equalization basin, a septage receiving station, new office facilities, and a pump maintenance building, installing a fine screening facility, solids handling equipment, aerobic equipment, disinfection equipment, a current age design aeration system, yard piping, electrical control systems, and ventilation and air handling systems.

In July 2010, the County issued $4,530,000 of County Home Improvement Bonds, Series 2010 A/B/C, for the purpose of renovations and new construction of the Homestead assisted living facility to the existing Logan Acres operations. The Series B bonds were issued under the Build America Bonds where 35% of interest payments made by the County are remitted back to the County and are reported as revenues. The Series C bonds were issued under the Recovery Zone Bonds where 35% of interest payments made by the County are remitted back to the County and are reported as revenues.

In October 2012, the County issued $2,280,848 of Ohio Water Development Authority (“OWDA 2012”) No Feasible Alternative Evaluation Notes for planning and design for the reduction/elimination of secondary treatment bypasses and for the reduction/elimination of sanitary sewer overflow in the collection system within the County’s Indian Lake Water Pollution Control District. The District combined the planning and design loan with the final construction loan in 2015.

In November 2012, the County issued $10,585,000 of Various Purpose Bonds, Series 2012 A and Series 2012 B. $9,830,000 for the purpose of advance refunding Series 2002 Various Purpose Bonds, Series 2002 Sewer System Refunding Bonds, Series 2011 Capital Facilities Bond Anticipation Note, Series 2011 Recycling Upgrade Bond Anticipation Note, and Series 2011 Sewer Improvement Note, and $755,000 for the purpose of paying the costs of improving, rehabilitating and renovating the Carnegie Library Building.

On September 30, 2014, the County issued $12,300,000 of refunding bonds with a true cost of 3.48%, to advance refund $12,413,000 of outstanding 2006 and 2010 bonds. The proceeds of $12,647,746 (net of $200,654 in issuance costs) provided for a deposit into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2006 and 2010 bonds. As a result, the 2006 and 2010 bonds are considered to be defeased and the liability for those bonds was removed from the bonds payable balance.

The 2014 refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $177,909. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being charged to operations through calendar year 2039 using the straight-line method. The County completed the advance refunding to reduce its total bond payments through calendar year 2039 by $1,446,136 and to obtain an economic gain (difference between the present values of the old and new bond payments) of $1,096,898.

In April 2015, the County issued $3,810,000 Sewer System Improvement Bonds, Series 2015, for the purpose of providing a portion of the cost of acquiring, constructing, enlarging, improving, and/or extending its sewer system. The bonds carry an interest rate of 2.125% and mature on April 1, 2055.

In April 2016, the County entered into an interest free loan with the State of Ohio in the amount of $272,109 for the purpose of upgrading the 911 system in Logan County as well as the City of Sydney, City of Bellefontaine and Shelby County. The loan carries an interest rate of 0% and matures in the year 2020.

NOTE 9 – LONG TERM LIABILITIES (Continued)

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County.

The code further provides that the total voted and unvoted net debt of the County less the same exempt debt, shall never exceed a sum equal to three percent of the first $100,000,000, of the assessed valuation, plus one-half percent of such valuation in excess of $100,000,000 and not in excess of $300,000,000, plus two and one-half percent of such valuation in excess of $300,000,000.

The following is a summary of the County's future annual debt service requirements for long-term debt:

	Sewer System Improvement Bonds, Series 2007		
	Principal	Interest	Totals
2017	$ 120,000	$ 63,600	$ 183,600
2018	120,000	58,800	178,800
2019	125,000	54,000	179,000
2020	130,000	49,000	179,000
2021	140,000	43,800	183,800
2022-2026	780,000	131,000	911,000
2027-2028	175,000	7,000	182,000
Total	$ 1,590,000	$ 407,200	$ 1,997,200

	Sewer System Improvement Bonds, Series 2007			Sewer System Improvement Bonds, Series 2008		
	Principal	Interest	Totals	Principal	Interest	Totals
2017	$ 35,800	$ 89,517	$ 125,317	$ 310,000	$ 387,611	$ 697,611
2018	37,300	88,040	125,340	325,000	372,111	697,111
2019	38,800	86,501	125,301	340,000	355,861	695,861
2020	40,400	84,751	125,151	355,000	341,751	696,751
2021	42,000	83,234	125,234	370,000	326,486	696,486
2022-2026	237,800	388,683	626,483	2,125,000	1,361,900	3,486,900
2027-2031	291,100	335,426	626,526	1,015,000	865,314	1,880,314
2032-2036	356,400	270,219	626,619	3,005,000	315,525	3,320,525
2037-2041	436,300	190,365	626,665	-	-	-
2042-2046	533,800	92,664	626,464	-	-	-
2047	120,400	4,966	125,366	-	-	-
Total	$ 2,170,100	$ 1,714,366	$ 3,884,466	$ 7,845,000	$ 4,326,559	$ 12,171,559

	2014 Refunding Bonds			911 System Loan		
	Principal	Interest	Totals	Principal	Interest	Totals
2017	$ 380,000	$ 436,787	$ 816,787	$ 68,027	$ -	$ 68,027
2018	395,000	425,388	820,388	68,027	-	68,027
2019	410,000	409,587	819,587	68,027	-	68,027
2020	420,000	401,388	821,388	68,028	-	68,028
2021	440,000	384,588	824,588	-	-	-
2022-2026	2,485,000	1,613,086	4,098,086	-	-	-
2027-2031	2,995,000	1,105,399	4,100,399	-	-	-
2032-2036	3,510,000	554,214	4,064,214	-	-	-
2037-2039	810,000	63,550	873,550	-	-	-
Total	$ 11,845,000	$ 5,393,987	$ 17,238,987	$ 272,109	$ -	$ 272,109

NOTE 9 – LONG TERM LIABILITIES (Continued)

	Various Purpose Refunding Bonds, Series 2012 A/B			Sewer System Improvement Bonds, Series 2015		
	Principal	Interest	Totals	Principal	Interest	Totals
2017	$ 735,000	$ 181,754	$ 916,754	$ 35,922	$ 80,962	$ 116,884
2018	755,000	167,024	922,024	72,797	79,814	152,611
2019	765,000	151,924	916,924	74,419	78,258	152,677
2020	780,000	136,624	916,624	76,082	76,879	152,961
2021	800,000	119,074	919,074	77,789	75,042	152,831
2022-2026	2,070,000	367,472	2,437,472	416,177	349,716	765,893
2027-2031	1,300,000	151,263	1,451,263	466,850	303,102	769,952
2032-2036	265,000	7,950	272,950	494,947	251,292	746,239
2037-2041	-	-	-	484,885	199,963	684,848
2042-2046	-	-	-	541,275	145,819	687,094
2047-2051	-	-	-	604,890	85,297	690,187
2052-2055	-	-	-	463,967	19,940	483,907
Total	$ 7,470,000	$ 1,283,085	$ 8,753,085	$ 3,810,000	$ 1,746,084	$ 5,556,084

Pledged Revenues on Debt Issuances – The County has pledged future Logan Acres home revenues, net of specified operating expenses, to repay the county home bonds issued, the majority of which were refunded with the 2014 Refunding Bonds. Proceeds from the bonds provided financing for the construction of the Logan Acres facility. The bonds are payable solely from the home customers net revenues and are payable through 2039.

The County also has pledged future sewer customer revenues, net of specified operating expenses, to repay $2.41 million in sewer system improvement revenue bonds issued in March 2007. Proceeds from the bonds provided financing for the construction of sanitary sewers and installing individual grinder pumping stations. The bonds are payable solely from sewer customer net revenues and are payable through 2047. Annual principal and interest payments on the bonds are expected to require less than 13 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $3,884,466. Principal and interest paid for the current year and total customer net revenues in 2016 were $125,336 and $1,078,486, respectively.

NOTE 10 – COMPENSATED ABSENCES

Vacation and sick leave accumulated by governmental fund type employees has been recorded in the Government-wide Financial Statements. Upon termination of County service, a fully vested employee is entitled to 25% of their accumulated sick leave not to exceed 30 days, plus all accumulated vacation and overtime. At December 31, 2016 vested vacation, compensatory, and sick leave benefits for governmental activity and business-type activity employees totaled $1,169,201 and $260,885, respectively.

NOTE 11 – SHORT TERM LIABILITIES

During 2015 and 2016, the County entered into bond anticipation notes for the purpose of paying the cost of renovating the County Courthouse. The notes are payable from the Capital Improvement Buildings fund. The changes in the County's short term liabilities during the fiscal year are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Bond Anticipation Note Issued 1/28/2015. 1%	$ 6,000,000	$ -	$ (6,000,000)	$ -
Bond Anticipation Note Issued 12/22/2015. 1.25%	6,000,000	-	(6,000,000)	-
Bond Anticipation Note Issued 12/22/2016. 2.00%	-	6,000,000	-	6,000,000
	$ 12,000,000	$ 6,000,000	$ (12,000,000)	$ 6,000,000

NOTE 12 – DEFINED BENEFIT PENSION PLANS

The employees of the County are covered by either the Ohio Public Employees Retirement System or the State Teachers Retirement System. The State of Ohio accounts for the activities of the retirement systems and the amounts of these funds are not reflected in the accompanying financial statements.

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the County's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the County's obligation for this liability to annually required payments. The County cannot control benefit terms or the manner in which pensions are financed; however, the County does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *due to other governments* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. County employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements: Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	**Age and Service Requirements:** Age 48 with 25 years of service credit or Age 56 with 15 years of service credit

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local	Law Enforcement
2016 Statutory Maximum Contribution Rates		
Employer	14.0 %	18.1 %
Employee	10.0 %	13.0 %
2016 Actual Contribution Rates		
Employer:		
Pension	12.0 %	16.1 %
Post-employment Health Care Benefits	2.0	2.0
Total Employer	14.0 %	18.1 %
Employee	10.0 %	13.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The County's contractually required contribution was $2,125,801 for 2016. Of this amount, $323,563 is reported as a due to other governments.

State Teachers Retirement Systems

Plan Description - County licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. The County was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The County's contractually required contribution to STRS was $101,206 for fiscal year 2016. Of this amount, $6,989 is reported as a due to other governments.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Pension Assets, Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension asset and net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset and net pension liability was determined by an actuarial valuation as of that date. STRS's total pension liability was measured as of June 30, 2016, and was determined by rolling forward the total pension liability as of July 1, 2015, to June 30, 2016. The County's proportion of the net pension asset and net pension liability was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Plan	OPERS Combined Plan	STRS	Total
Proportionate Share of the Net Pension (Asset)/Liability	$23,664,479	($58,393)	$1,998,674	$25,604,760
Proportion of the Net Pension Liability/(Asset)	0.137597%	0.119997%	0.005971%	
Pension Expense	$3,346,192	$24,922	$82,258	$3,453,372

At December 31, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	STRS	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	$ -		$ 80,756	$ 80,756
Net difference between projected and actual earnings on pension plan investments	6,955,878	25,212	165,944	7,147,034
Changes in proportionate share	175,324	4,700	33,036	213,060
County contributions subsequent to the measurement date	2,080,575	45,226	50,603	2,176,404
Total Deferred Outflows of Resources	$ 9,211,777	$ 75,138	$ 330,339	$ 9,617,254
Deferred Inflows of Resources				
Differences between expected and actual experience	$ 457,242	$ 26,646	$ -	$ 483,888
Changes in proportionate share	142,538		-	142,538
Total Deferred Inflows of Resources	$ 599,780	$ 26,646	$ -	$ 626,426

$2,176,404 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

	OPERS Traditional Plan	OPERS Combined Plan	STRS	Total
Year Ending December 31:				
2017	$ 1,536,441	$ 3,669	$ 47,319	$ 1,587,429
2018	1,647,667	3,669	47,318	1,698,654
2019	1,777,069	3,669	110,995	1,891,733
2020	1,570,245	2,965	74,104	1,647,314
2021	-	(2,810)	-	(2,810)
Thereafter	-	(7,896)	-	(7,896)
Total	$ 6,531,422	$ 3,266	$ 279,736	$ 6,814,424

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Discount Rate (8.00%)	1% Increase (9.00%)
County's proportionate share of the net pension liability			
Traditional Plan	$ 37,972,644	$ 23,664,479	$ 11,907,644
Combined Plan	(1,200)	(58,393)	(104,397)

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Changes between Measurement Date and Report Date In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the County's net pension liability is expected to be significant.

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	10 Year Expected Nominal Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	$2,656,235	$1,998,674	$1,444,204

Changes Between Measurement Date and Report Date In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 4.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall change in the County's net pension liability is expected to be significant.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by a State Retirement System have an option to choose Social Security or the appropriate state system. As of December 31, 2016, none have elected Social Security.

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Plan (TP) – a cost-sharing multiple-employer defined benefit plan; the Member-Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains two cost-sharing multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

In order to qualify for coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45. See the Plan Statement in the OPERS 2015 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml#CAFR, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members of the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 remained at 1.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Direction Plan for 2016 was 4.0%.

The County's contributions to OPERS to fund health care for the years ending December 31, 2016, 2015, and 2014 were $346,277, $356,007, and $380,441, respectively. The full amount has been contributed for 2015 and 2014. 85 percent has been contributed for 2016 with the remainder being reported as a fund liability.

State Teachers Retirement System

Plan Description - STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan, a self-directed Defined Contribution Plan, and a Combined Plan that is a hybrid of the Defined Benefit Plan and the Defined Contribution Plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums.

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Pursuant to Chapter 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting www.strsoh.org or by requesting a copy by calling toll-free 1-888-227-7877.

Funding Policy – Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post-employment health care for the years ended June 30, 2014. Effective July 1, 2014, 0% of covered payroll was allocated to post-employment health care. The 14% employer contribution rate is the maximum rate established under Ohio law. The County's contributions for health care for the fiscal years ended December 31, 2016, 2015, and 2014 were $0, $0, and $6,996, respectively. The entire amount has been contributed for each fiscal year.

NOTE 14 – DEFERRED COMPENSATION PLAN

County employees and elected officials participate in a statewide deferred compensation plan created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

NOTE 15 – INSURANCE

The County is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters. The County is a member of County Risk Sharing Authority, Inc. (CORSA) which is a shared risk pool of sixty-two counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program.

Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

The County continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 16 – CONTINGENT LIABILITIES

Federal and State Grants - The County participates in several federally assisted programs. These programs are subject to financial and compliance audits by grantor agencies or their representative. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

NOTE 16 – CONTINGENT LIABILITIES (Continued)

Pending Litigation - The County is a defendant in a lawsuit. Although the outcome of this lawsuit is not presently determinable, it is the opinion of the County's counsel that a resolution of this matter will not have a material adverse effect on the financial condition of the County.

NOTE 17 – TAX ABATEMENTS

Ohio Enterprise Zone Program

The Ohio Enterprise Zone Program is an economic development tool used by the County that provides real and personal property tax exemptions to businesses making investments in the County. The tax being abated is real property tax. The tax incentives are negotiated by the County and the enterprise zone agreement must be in place before the project begins. The Ohio Enterprise Zone Program is part of chapter 5709 of the Ohio Revised Code.

The County's Enterprise Zone's geographic area is determined by the County. Resolution number 466-95 passed by the County sets forth the area of the County that can negotiate an enterprise zone agreement. The taxes are abated by exempting a percentage of certain assessed valuation of the property for a period of time, in exchange for a commitment to purchase, remodel, and/or construct properties that will improve property value and/or bring/retain jobs to/within the County.

The Tax Incentive Review Council meets annually to review the exemptions and to determine whether the company is maintaining their end of the agreement. If an agreement is terminated by the Review Council, the assessed valuation of the property will be set at it's fair market valuation with no additional exemption allowed.

The gross dollar amount by which the taxes were reduced to the County for 2016 was as follows:

Company	Tax Years	Percent	Amount
Honda Transmission Manufacturing of America	2008-2017	100	$ 21,646
NK Parts Industries, Inc.	2007-2016	100	15,141
NEX Transport, Inc.	2015-2024	100	5,120
Midwest Express, Inc.	2014-2023	60	3,091
			$ 44,998

In addition, under tax abatement agreements entered into by the City of Bellefontaine with AcuSport Corporation and ISS America, Inc, the County's 2016 property tax revenues were reduced by $12,918 and $978, respectively.

NOTE 18 – SUBSEQUENT EVENTS

On April 17, 2017, the County issued $3,500,000 in Capital Improvement Bond Anticipation Notes that will mature on April 18,2018. The note will be used for improvements to the Courthouse, Carnegie Building and Memorial Hall.

NOTE 19 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2016, the County implemented GASB Statement No. 72 *"Fair Value Measurement and Application"* which enhances comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepter valuation techniques. This statement also enhances fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The implementation of this statement did not have a significant effect on the financial statements of the County.

For fiscal year 2016, the County implemented GASB Statement No. 76 "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*" which improves financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in non-authoritative literature. The implementation of this statement did not have an effect on the financial statements of the County.

For fiscal year 2016, the County implemented GASB Statement No. 77 "*Tax Abatement Disclosures*" which improves disclosure of tax abatement information, such as how the tax abatements affect their financial statements and operations and the government's ability to raise resources in the future, by reporting (1) the government's own tax abatement agreements; and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The implementation of this statement did not have a significant effect on the financial statements of the County.

For fiscal year 2016, the County implemented GASB Statement No. 78 "*Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*", which amended the scope and applicability of GASB Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer. The implementation of this statement did not have an effect on the financial statements of the County.

For fiscal year 2016, the County implemented GASB Statement No. 79 "*Certain External Investment Pools and Pool Participants*" which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of this statement did not have a significant effect on the financial statements of the County.

Logan County
Required Supplementary Information
Schedule of County's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System

Last Three Years (1)

	2015	2014	2013
County's Proportion of the Net Pension (Asset)/Liability			
Traditional Plan	0.137597%	0.136209%	0.136209%
Combined Plan	0.119997%	0.109021%	0.109021%
County's Proportionate Share of the Net Pension (Asset)/Liability			
Traditional Plan	$ 23,664,479	$ 16,428,328	$ 16,057,266
Combined Plan	$ (58,393)	$ (41,975)	$ (11,439)
County's Covered-Employee Payroll			
State and Local	$ 16,502,473	$ 15,401,758	$ 16,010,577
Law Enforcement	$ 1,297,874	$ 1,326,584	$ 1,153,512
County's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered-Employee Payroll	132.62%	97.96%	93.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability			
Traditional Plan	81.08%	86.45%	86.36%
Combined Plan	116.90%	114.83%	104.56%

(1) Information prior to 2013 is not available.

Amounts presented as of the County's measurement date, which is the prior fiscal year-end.

Logan County
Required Supplementary Information
Schedule of County's Proportionate Share of the Net Pension Liability
State Teachers Retirement System Fund

Last Four Years (1)

	2016	2015	2014	2013
County's Proportion of the Net Pension Liability	0.005971%	0.005828%	0.006373%	0.006373%
County's Proportionate Share of the Net Pension Liability	$ 1,998,674	$ 1,610,733	$ 1,550,039	$ 1,846,397
County's Covered-Employee Payroll	$ 722,897	$ 688,887	$ 701,192	$ 708,177
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	276.48%	233.82%	221.06%	260.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2013 is not available.

Amounts presented as of the County's measurement date, which is June 30 of each year.

Logan County
Required Supplementary Information
Schedule of County Contributions
Ohio Public Employees Retirement System

Last Four Years (1)

	2016	2015	2014	2013
Contractually Required Contribution				
State and Local	$ 1,936,764	$ 1,980,297	$ 1,848,211	$ 2,081,375
Law Enforcement	$ 189,037	$ 208,958	$ 213,580	$ 197,251
Contributions in relation to the contractually required contribution	$ 2,125,801	$ 2,189,255	$ 2,061,791	$ 2,278,626
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered-employee payroll				
State and Local	$ 16,139,704	$ 16,502,473	$ 15,401,758	$ 16,010,577
Law Enforcement	$ 1,174,141	$ 1,297,874	$ 1,326,584	$ 1,153,512
Contributions as a percentage of covered-employee payroll				
State and Local	12.00%	12.00%	12.00%	13.00%
Law Enforcement	16.10%	16.10%	16.10%	17.10%

(1) Information prior to 2013 is not available.

Logan County
Required Supplementary Information
Schedule of County Contributions
State Teachers Retirement System Fund

Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually Required Contribution	$ 101,206	$ 96,444	$ 91,155	$ 92,063	$ 93,225	$ 124,075	$ 131,237	$ 136,969	$ 131,400	$ 134,077
Contributions in relation to the contractually required contribution	$ 101,206	$ 96,444	$ 91,155	$ 92,063	$ 93,225	$ 124,075	$ 131,237	$ 136,969	$ 131,400	$ 134,077
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 722,897	$ 688,887	$ 701,192	$ 708,177	$ 717,115	$ 954,423	$ 1,009,515	$ 1,053,608	$ 1,010,769	$ 1,031,362
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

LOGAN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

FEDERAL GRANTOR *Pass Through Grantor* **Program/Cluster Title**	**Federal CFDA Number**	**Pass Through Entity Identifying Number**	**Passed Through to Subrecipients**	**Total Award Disbursements**
U.S. DEPARTMENT OF AGRICULTURE				
Passed through the Ohio Department of Job & Family Services				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-1617-06-0360	$ -	$ 289,177
Passed Through Ohio Department of Education				
Child Nutrition Cluster:				
School Breakfast Program	10.553	(1)	-	6,023
National School Lunch Program	10.555	(1)	-	12,567
Total Child Nutrition Cluster			-	18,590
Team Nutrition Grants	10.574	6490E	-	2,368
Direct Program				
Water and Waste Program Cluster	10.760	(1)	-	630,235
Total U.S. Department of Agriculture			-	940,370
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Pass through the Ohio Development Services Agency				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii:				
Formula Grant	14.228	B-F-14-1BP-1	-	343,409
Community Housing Improvement Program	14.228	B-C-15-1BP-1	-	64,030
Formula Grant	14.228	B-F-15-1BP-1	-	40,855
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			-	448,294
Home Investment Partnerships Program	14.239	B-C-15-1BP-2	-	219,056
Total U.S. Department of Housing and Urban Development			-	667,350
U.S. DEPARTMENT OF JUSTICE				
Passed through the Ohio Department of Youth Services				
Juvenile Accountability Block Grant	16.523	2013-JB-015-B009	-	4,719
Juvenile Accountability Block Grant	16.523	2013-JB-015-B0095	-	14,027
Total Juvenile Accountability Block Grant			-	18,746
Passed through the Ohio Attorney General's Office				
Crime Victim Assistance	16.575	2016-VOCA-19812157	-	51,008
Crime Victim Assistance	16.575	2017-VOCA-43554932	-	14,113
Total Crime Victim Assistance			-	65,121
Passed through the Ohio Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant Program:				
Edward Byrne Memorial JAG - The Circles Project	16.738	2014-JG-D01-6619	-	7,535
Edward Byrne Memorial JAG - Family Treatment Court	16.738	2015-JG-D01-6069	-	1,213
Edward Byrne Memorial JAG - Patrol Deputies Grant	16.738	2015-JG-A02-6821	-	16,664
Edward Byrne Memorial JAG - Equipment	16.738	2015-JG-LLE-5281	-	4,564
Edward Byrne Memorial JAG - Jail Programs	16.738	2015-JG-C01-6066	-	49,618
Total Edward Byrne Memorial Justice Assistance Grant Program			-	79,594
Total U.S. Department of Justice			-	163,461

See accompanying notes to the Schedule of Expenditures of Federal Awards

LOGAN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

FEDERAL GRANTOR *Pass Through Grantor* **Program/Cluster Title**	**Federal CFDA Number**	**Pass Through Entity Identifying Number**	**Passed Through to Subrecipients**	**Total Award Disbursements**
U.S. DEPARTMENT OF LABOR				
Passed through the Ohio Department of Job & Family Services and Area 7 Workforce Investment Board				
WIA/WIOA Cluster:				
WIA/WIOA Adult Program	17.258	2010-7346	-	56,672
WIA/WIOA Youth Activities	17.259	2010-7346	-	13,911
WIA/WIOA Dislocated Worker Formula Grants	17.278	2010-7346	-	44,529
Total WIA/WIOA Cluster			-	115,112
Employment Service Cluster:				
Employment Services/Wagner-Peyser Funded Activities	17.207	2010-7346	-	53,469
Total U.S. Department of Labor			-	168,581
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through the Ohio Department of Transportation				
Highway Planning and Construction Cluster	20.205	PID #92388	-	214,400
Highway Planning and Construction Cluster	20.205	PID #100416	-	1,800
Highway Planning and Construction Cluster	20.205	PID #101592	-	50,000
Highway Planning and Construction Cluster	20.205	PID #101609	-	7,183
Total Highway Planning and Construction Cluster			-	273,383
Passed through the Ohio Department of Public Safety				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	STEP-2016-46-00-22-00-563	-	10,390
State and Community Highway Safety	20.600	STEP-2017-46-00-00-00-508	-	1,433
Total State and Community Highway Safety			-	11,823
National Priority Safety Programs	20.616	IDEP-2016-46-00-00-00-562	-	15,231
National Priority Safety Programs	20.616	IDEP-2017-46-00-00-00-433	-	4,034
Total National Priority Safety Programs			-	19,265
Total Highway Safety Cluster			-	31,088
Passed through the Ohio Emergency Management Agency				
Interagency Hazardous Public Sector Training and Planning Grants	20.703	HM-HMP-0355-13-01-00	-	1,458
Total U.S. Department of Transportation			-	305,929
U.S DEPARTMENT OF EDUCATION				
Passed through the Ohio Department of Education				
Special Education Cluster:				
Special Education Preschool Grants	84.173	(1)	-	34,661
Total U.S. Department of Education			-	34,661
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the Ohio Department of Job & Family Services				
Promoting Safe and Stable Families	93.556	G-1617-06-0360	-	45,292
TANF Cluster	93.558	G-1617-06-0360	36,290	622,760
Child Support Enforcement Grant	93.563	G-1617-06-0360	-	520,832
CCDF Cluster	93.575	G-1617-06-0360	-	61,036
Community-Based Child Abuse Prevention Grants	93.590	G-1617-06-0360	-	2,000
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-1617-06-0360	-	14,663

See accompanying notes to the Schedule of Expenditures of Federal Awards

LOGAN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

FEDERAL GRANTOR ***Pass Through Grantor*** **Program/Cluster Title**	**Federal CFDA Number**	**Pass Through Entity Identifying Number**	**Passed Through to Subrecipients**	**Total Award Disbursements**
Foster Care - Title IV-E	93.658	G-1617-06-0360	-	282,343
Adoption Assistance	93.659	G-1617-06-0360	-	305,228
Social Services Block Grant:				
Passed through the Ohio Department of Developmental Disabilities				
Social Services Block Grant	93.667	(1)	-	30,434
Passed through the Ohio Department of Job & Family Services				
Social Services Block Grant	93.667	G-1617-06-0360	22,148	393,171
Total Social Services Block Grant			22,148	423,605
Passed through the Ohio Department of Job & Family Services				
Chafee Foster Care Independence Program	93.674	G-1617-06-0360	-	1,042
Medicaid Cluster:				
Passed through the Ohio Department of Job & Family Services				
Medical Assistance Program	93.778	G-1617-06-0360	-	535,823
Passed through the Ohio Department of Developmental Disabilities				
Medicaid Administrative Claiming	93.778	(1)	-	128,402
Total Medicaid Cluster			-	664,225
Total U.S. Department of Health and Human Services			58,438	2,943,026
U.S DEPARTMENT OF HOMELAND SECURITY				
Passed through the Ohio Department of Public Safety				
Emergency Management Agency				
Emergency Management Performance Grants	97.042	EMW-2015-EP- 00034-S01	-	35,312
Emergency Management Performance Grants	97.042	EMC-2016-EP-00003-S01	-	32,361
Total Emergency Management Performance Grants			-	67,673
Pre-Disaster Mitigation	97.047	(1)	-	7,500
Total Department of Homeland Security			-	75,173
Total Expenditures of Federal Awards			$ 58,438	$ 5,298,551

(1) Pass through number not available or multiple.

See accompanying notes to the Schedule of Expenditures of Federal Awards

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Logan County, Ohio (the County) under programs of the federal government for the year ended December 31, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - SUBRECIPIENTS

The County passes certain federal awards received from the Ohio Department of Job and Family Services to other governments or not-for-profit agencies (sub-recipients). As Note B describes, the County reports expenditures of Federal awards to sub-recipients when paid in cash.

As a sub-recipient, the County has certain compliance responsibilities, such as monitoring its sub-recipients to help assure they use these sub-awards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that sub-recipients achieve the award's performance goals.

NOTE D – MATCHING REQUIREMENTS

Certain federal programs require the County to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE E – TRANSFERS BETWEEN FEDERAL PROGRAMS

The U.S. Department of Health and Human Services permits the Ohio Department of Job and Family Services (ODJFS) to transfer funds from the Temporary Assistance for Needy Families (93.558) program to the Social Services Block Grant (93.667) program and the Child Care and Development (93.596) program. During fiscal year 2016, ODJFS transferred $299,563 of the County's Temporary Assistance for Needy Families (93.558) funds to the Social Services Block Grant program.

NOTE E – TRANSFERS BETWEEN FEDERAL PROGRAMS (CONTINUED)

The Schedule of Expenditures of Federal Awards shows the County spent $622,760 on the Temporary Assistance for Needy Families program. The amount reported for the Temporary Assistance for Needy Families program on the Schedule of Expenditures of Federal Awards excludes the amount ODJFS transferred to the Social Services Block Grant program. The amount ODJFS transferred to the Social Services Block Grant program is included in the federal program expenditures for this program. The following table shows the gross amount drawn for the Temporary Assistance for Needy Families program during the fiscal year 2016:

Total Temporary Assistance for Needy Families…………….……………………	$ 922,323
Total reported as Social Services Block Grant ………………………………………	(299,563)
Total reported as Temporary Assistance for Needy Families………………………	$ 622,760

NOTE F – COST REPORT SETTLEMENTS

During the calendar year, the County Board of Developmental Disabilities received notice of a liability owed to the Ohio Department of Developmental Disabilities for the 2010 and 2011 Cost Reports for the Medicaid Program (CFDA #93.778) in the amount of $282 and $3,511, respectively. The Cost Report Settlement liability was for settlement of the difference between the statewide payment rate and the rate calculated based upon actual expenditures for Medicaid services. The liability is not listed on the County's Schedule of Expenditures of Federal Awards since the underlying expenses occurred in the prior reporting periods and the liability was invoiced by the Ohio Department of Developmental Disabilities.

NOTE G – PRIOR YEAR EXPENDITURES

The following amounts were excluded from the County's calendar year 2015 Schedule of Expenditures of Federal Awards:

Program	Federal CFDA Number	Award Disbursement Amount
Water and Waste Program Cluster	10.760	$ 195,519
Highway Planning and Construction Cluster	20.205	51,203
Emergency Management Performance Grants	97.042	23,792

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Logan County
Honorable County Board of Commissioners
Honorable County Auditor
Honorable County Treasurer
100 South Madriver Street
Bellefontaine, Ohio 43311

To the County Board of Commissioners, Auditor, and Treasurer:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Logan County, (the County) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 26, 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the County's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the County's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider finding 2016-001 to be a significant deficiency.

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www.ohioauditor.gov

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards.*

County's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the County's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dave Yost
Auditor of State
Columbus, Ohio

January 26, 2018

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Logan County
Honorable County Board of Commissioners
Honorable County Auditor
Honorable County Treasurer
100 South Madriver Street
Bellefontaine, Ohio 43311

To the County Board of Commissioners, Auditor, and Treasurer:

Report on Compliance for Each Major Federal Program

We have audited Logan County's (the County) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Logan County's major federal programs for the year ended December 31, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the County's major federal programs.

Management's Responsibility

The County's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the County's compliance for each of the County's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the County's major programs. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on Highway Planning and Construction Cluster and Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii

As described in Findings 2016-002 and 2016-003 in the accompanying schedule of findings, the County did not comply with requirements regarding the following:

Finding #	CFDA #	Program (or Cluster) Name	Compliance Requirement
2016-002	20.205	Highway Planning and Construction Cluster	Procurement, Suspension and Debarment
2016-003	14.228	Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	Cash Management

Compliance with these requirements is necessary, in our opinion, for the County to comply with the requirements applicable to these programs.

Qualified Opinion on Highway Planning and Construction Cluster and Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Highway Planning and Construction Cluster and Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii* paragraph, Logan County complied, in all material respects, with the requirements referred to above that could directly and materially affect its Highway Planning and Construction Cluster and Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii for the year ended December 31, 2016.

Unmodified Opinion on the Other Major Federal Programs

In our opinion, Logan County complied in all material respects with the requirements referred to above that could directly and materially affect each of its other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings for the year ended December 31, 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which Uniform Guidance requires us to report, described in the accompanying schedule of findings as item 2016-004. Our opinion on each major federal program is not modified with respect to this matter

The County's responses to our noncompliance findings are described in the accompanying schedule of findings and/or corrective action plan. We did not audit the County's responses and, accordingly, we express no opinion on them.

Report on Internal Control over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the County's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and a deficiency we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2016-002 and 2016-003 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2016-004 to be a significant deficiency.

The County's responses to our internal control over compliance findings are described in the accompanying schedule of findings and/or corrective action plan. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on the Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

January 26, 2018

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LOGAN COUNTY

SCHEDULE OF FINDINGS
2 C.F.R. § 200.515
DECEMBER 31, 2016

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	Yes
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	Yes
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified for all major programs except Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii and Highway Planning and Construction Cluster, which we qualified.
(d)(1)(vi)	**Are there any reportable findings under 2 C.F.R. § 200.516(a)?**	Yes
(d)(1)(vii)	**Major Programs (list):**	Water and Waste Program Cluster Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Highway Planning and Construction Cluster Social Services Block Grant Medicaid Cluster
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 C.F.R. § 200.520?**	No

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING 2016-001

Significant Deficiency – Financial Reporting

Sound financial reporting is the responsibility of the Auditor and the governing board and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.
The following misstatements were adjusted on the December 31, 2016, financial statements:

- Capital Improvement Fund - $147,750 in grant revenue was reclassified from miscellaneous to intergovernmental revenue
- Developmental Disabilities Fund (Budget to Actual) - $340,885 in state reimbursements was reclassified from property taxes to intergovernmental revenue

In addition to the reclassifications listed above, we also identified additional misstatements ranging from $14,685 to $146,613, which we have brought to the County's attention.

The lack of proper controls and/or procedures to assure that all transaction types are completely and accurately posted led to errors noted above, and could lead to irregularities in the presentation of financial statements and/or notes to the financial statements as presented at year end by the County.

The misstatements identified above should be reviewed by the Auditor and the governing board to ensure that similar errors are not reported on the financial statements in subsequent years. In addition, the Auditor should adopt policies and procedures to identify and correct errors and omissions. The implementation and proper management of a new accounting software system, planned for later implementation, should help to alleviate future issues. Accurate financial reporting is essential to provide useful information to financial statement users as well as management.

Official's Response:

See Corrective Action Plan

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	2016 – 002		
CFDA Title and Number	20.205 – Highway Planning and Construction Cluster		
Federal Award Identification Number / Year	PID#92388		
Federal Agency	U.S. Department of Transportation		
Pass-Through Entity	Ohio Department of Transportation		
Repeat Finding from Prior Audit?	Yes	**Finding Number (if repeat)**	2015 – 003

Non-Compliance and Material Weakness – Procurement, Suspension and Debarment

23 C.F.R. 172.7(b)(3) states a contracting agency shall verify suspension and debarment actions and eligibility status of consultants and subconsultants prior to entering into an agreement or contract in accordance with 2 CFR part 1200 and 2 CFR part 180.

2 C.F.R. Subtitle A, Chapter 1, Part 180, Subpart B, Section 180.220 states

(a) Covered transactions under this part—

(1) Do not include any procurement contracts awarded directly by a Federal agency; but

(2) Do include some procurement contracts awarded by non-Federal participants in nonprocurement covered transactions.

(b) Specifically, a contract for goods or services is a covered transaction if any of the following applies:

(1) The contract is awarded by a participant in a nonprocurement transaction that is covered under § 180.210, and the amount of the contract is expected to equal or exceed $25,000.

(2) The contract requires the consent of an official of a Federal agency. In that case, the contract, regardless of the amount, always is a covered transaction, and it does not matter who awarded it. For example, it could be a subcontract awarded by a contractor at a tier below a nonprocurement transaction, as shown in the appendix to this part.

(3) The contract is for Federally-required audit services.

(c) A subcontract also is a covered transaction if,—

(1) It is awarded by a participant in a procurement transaction under a nonprocurement transaction of a Federal agency that extends the coverage of paragraph (b)(1) of this section to additional tiers of contracts (see the diagram in the appendix to this part showing that optional lower tier coverage); and

(2) The value of the subcontract is expected to equal or exceed $25,000.

The Logan County Engineering Department did not perform a search for entities with contracts exceeding $25,000 to determine if the entity was suspended, debarred, or otherwise excluded. The auditors performed the search for Brian Bros Painting and Restoration LLC ($268,000) for the PID Contract 92388, and the entity was not suspended, debarred, or otherwise excluded during fiscal year 2016. In addition, the Department does not have a written procurement policy nor documented procedures for procurement during the audit period.

FINDING 2016-002
(Continued)

The Logan County Engineering Department should implement policies and procedures to ensure all expenditures in excess of $100,000 follow a procurement policy, which reflects the necessary requirements of the federal grants. The Department also should implement procedures to search for debarment, suspension, or otherwise excluded entities when entering into a contract for any entity, specifically for contracts greater than $25,000.

Official's Response:

See Corrective Action Plan

Finding Number	2016 – 003		
CFDA Title and Number	14.228 – Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii		
Federal Award Identification Number / Year	B-F-14-1BP-1, B-C-15-1BP-1, B-F-15-1BP-1		
Federal Agency	U.S. Department of Housing and Urban Development		
Pass-Through Entity	Ohio Development Services Agency		
Repeat Finding from Prior Audit?	No	**Finding Number (if repeat)**	N/A

Non-Compliance and Material Weakness – Cash Management

2 C.F.R. § 2400.101 gives regulatory effect to the Department of Housing and Urban Development for **2 C.F.R. § 200.305(b)** which states, in part, for non-federal entities other than states, payment methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means.

2 C.F.R. § 200.305(b)(1) states, in part, the non-Federal entity must be paid in advance, provide it maintains or demonstrates the willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement by the non-Federal entity, and financial management systems that meet the standards for fund control and accountability as established in this part. Advance payment to a non-Federal entity must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements.

Additionally, Ohio Development Services Agency (ODSA) Office of Community Development (OCD) Grant Operations and Financial Management Policy and Procedures Section (A)(2)(f) states the grantee must develop a cash management system to minimize the time elapsed between the funds transfer from OCD and funds disbursed by the grantee, in compliance with 2 C.F.R § 200.305 – Payment. Implementing the cash management system shall ensure disbursed OCD funds-on-hand balance is less than $5,000 within 30 days of receiving the funds. Lump sum drawdowns are not permitted.

FINDING 2016-003
(Continued)

The CDBG B-C-15-1BP-1 grant had a balance greater than $5,000 from April 2016 through the end of the fiscal year reaching balances in excess of $100,000 for the months of September 2016 through December 2016. The CDBG C-F-15-1BP-1 grant had a balance in excess of $5,000 from November 2016 through the end of the fiscal year.

24 C.F.R. § 85.21(c) states that grantees and sub-grantees shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of funds and their disbursement by the grantee or sub-grantee.

Furthermore, Ohio Department of Development, Office of Housing and Community Partnerships Financial Management Rules and Regulations, Section (A)(3)(f) states that Grantee must develop a cash management system to ensure compliance with the Fifteen Day Rule relating to prompt disbursement of funds. This rule states that funds drawn down should be limited to amounts that will enable the grantee to disburse the funds on hand to a balance of less than $5,000 within fifteen days of receipt of any funds.

The CDBG B-F-14-1BP-1 grant had a balance greater than $5,000 from May 2016 through August 2016.

The County should develop cash management procedures to monitor the fifteen or thirty day rule regarding the prompt disbursement of funds and also use the program income revenues before drawing other funds. The County should then submit a Request for Payments for current cash needs and monitoring the receipts, disbursements, and balances of the Community Development Block Grant funds to avoid excessive federal fund cash balances.

Official's Response:

See Corrective Action Plan

Finding Number	2016 – 004		
CFDA Title and Number	93.667 – Social Services Block Grant (JFS)		
Federal Award Identification Number / Year	G-1617-06-0360		
Federal Agency	U.S. Department of Health and Human Services		
Pass-Through Entity	Ohio Department of Job and Family Services		
Repeat Finding from Prior Audit?	No	**Finding Number (if repeat)**	N/A

Non-Compliance and Significant Deficiency – Subrecipient Monitoring

45 C.F.R. Part 75, Subpart D § 75.352(d) states all pass through entities must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

FINDING 2016-004
(Continued)

(1) Reviewing financial and performance reports required by the pass-through entity.
(2) Following-up and ensuring that subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
(3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by § 75.521 Management decision.

The Logan County Department of Job and Family Services (JFS) maintained subrecipient relationships during fiscal year 2016; however, JFS did not complete monitoring activities for one of its two subrecipients, Consolidated Care Inc., that received Social Services Block Grant (SSBG) funds during 2016.

Failure to have procedures in place to monitor subrecipients may result in ineligible costs being charged to federal programs.

The JFS should implement procedures to monitor subrecipients. These procedures should include the annual risk assessment review that will aid in determining the appropriate degree and method for monitoring each subrecipient.

Official's Response:

See Corrective Action Plan

LOGAN COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2016

Finding Number	Finding Summary	Status	Additional Information
2015-001	**Financial Reporting** – Misstatements identified in financial statements	Not Corrected	Repeated as Finding 2016-001 Reoccurrence due to timing of prior audit. See Corrective Action Plan.
2015-002	**45 CFR Part 75 §75.342(a) –** Reporting Accuracy	Partially Corrected	Repeated in Management Letter. Reoccurrence due to timing of prior audit. Supporting documentation was maintained and materially agreed to reports. Reports were filed timely.
2015-003	**23 CFR 172.7(b)(3)** – Procurement, Suspension and Debarment	Not Corrected	Repeated as Finding 2016-003 Reoccurrence due to timing of prior audit. See Corrective Action Plan.

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Michael E. Yoder
Logan County Auditor
County Office Building
100 South Madriver * Bellefontaine, Ohio 43311 * (937) 599-7209
E-Mail: meyoder@co.logan.oh.us

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2016

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2016-001	We are constantly trying to record revenues and expenditures properly. We are also awaiting our new budgetary software which I believe will help us make the proper accounting of items. It is very difficult to make changes for our 2017 books when we don't get the 2016 audit released until 2018.	12-31-18	Michael Yoder, Logan County Auditor

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2016

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2016-002	See County's procurement policy - attached	08/01/2017	Scott Coleman, County Engineer

Logan County Commissioners
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117 E. Columbus Ave. Suite 100 ◆ Bellefontaine, Ohio 43311
(937) 599-7283 ◆ (937) 599-7268 (Fax)
John Bayliss ◆ Tony Core ◆ Dustin Wickersham

BRIAN DUNN
SPECIAL PROJECTS COORDINATOR

KACY D. KIRBY
CLERK/ADMINISTRATOR

GRANT-RELATED PROCUREMENT POLICY MEMORANDUM

Purchases made with Federal grant award funds must comply with the following requirements:

1. A copy of the required certifications related to the suspension and disbarment of the vendor MUST be obtained before any funds are spent. Copies of this information must be kept with the grant file, and be available for when requested by auditors.

   This information is available at these websites:

   a. System for Award Management (http://www.sam.gov/), and

   b. Ohio Secretary of State Office list of debarred contractors:

      http://www.sos.state.oh.us/recordsIndexes/debarredcontractors.aspx

2. Grantees should follow the County's and/or grantor's policies and procedures for all practices including procurement for the selection of contractors and vendors. If grant guidelines require grantees to abide by procurement procedures other than those adopted by the County, the county department seeking grant funds should determine the correct procedure to follow prior to submitting the grant application. Generally, the federal and state regulations prevail unless less restrictive than County policies, in which case the County policy prevails.

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SPECIAL PROJECTS COORDINATOR

KACY D. KIRBY
CLERK/ADMINISTRATOR

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2016

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2016-003	On all grants drawdowns are only made after receiving contractor invoices or when the Notice to Proceed is issued. We monitor drawdowns and payments to ensure that funds are expended within 30 days of receipt from the State of Ohio. We will work with the Logan County Auditor's Office to improve our cash management procedures.	12/31/2018	Brian Dunn, Project Coordinator

Logan County Department of Job & Family Services

Cynthia L. Heffner, Esq.
Director
211 East Columbus Avenue, Bellefontaine, Ohio 43311
Phone (937) 599-5165 Fax (937) 592-4395

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2016

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2016-004	*Agency has had turn over in fiscal team and Director. New Director started in November of 2016. Agency employs a Fiscal Officer and a Fiscal Account Clerk. Both of these staff members were also fairly new in their positions. Due to the recent transitions within the Agency, the need for better training, policy and procedures has been discovered.* **Implementation Steps:** • *Agency has implemented the attached "Logan County JFS - Subrecipient Risk Assessment Checklist" (Attached at the bottom of this document). This checklist will be used as part of the RFP process for all new Subrecipient Agreements entered into by the Agency as of September 1, 2017, Further, the checklist will be used for all existing Subrecipient Agreements to determine the monitoring needed on those Agreements. The Checklist will be kept in the file for each RFP and Subrecipient.* • *As stated in Checklist, there will be better communication between the Agency and Subrecipient with the Risk Assessment Process during the RPF and during monitoring of Subgrant.* • *Agency will carefully review all monitoring and billing to determine that only actual costs are being billed for and paid for through the Subgrant. Subrecipient will be required to provide all needed verifications to determine actual costs in the monthly billing. Further all future Subgrants entered into after September 1, 2017 will have detailed information regarding the verifications needed to determine that only actual costs under the Subgrant are paid.*	09/01/2017	*The entire Fiscal Team will be responsible for improvement of Risk Assessment and Subgrant monitoring:* *Cynthia Heffner, Director* *Kimberly Arbogast,* *Fiscal Officer* *Lisa Austin, Fiscal Account Clerk*

Logan County JFS - Contractor Risk Assessment Checklist

Logan JFS Fiscal Team will conduct a Risk Assessment of all Contracts as part of the annual RFP process or at any time the Agency establishes a new Contract for services. The following Risk Assessment shall also be used annually to determine if any additional risks need to be addressed if the Contract is for more than one year. The following checklist was developed using OAC 5101:9-1-88. The Risk Assessment is used to determine the appropriate degree and method for monitoring each Contract and to ensure adequate monitoring is performed and resources and personal are used efficiently.

Part 1 Risk Assessment

Extent and frequency of monitoring needed will be determined on the following factors: Mark that each factor has been reviewed and note all concerns regarding the Contractor. Attach additional sheets and documentation as needed. Note how verification was obtained.

______________ Provides contracted services within normal scope of business;

______________ Type of business or organization;

_____________ Prior experience with the same or similar federal funds;

_____________ Prior monitoring results;

_____________ Complexity of the program requirements;

_____________ Business or Organization's financial or managerial stability;

_____________ Prior reporting history;

_____________ Whether the business or organization has new personnel or new or substantially changed systems

Risk assessment review mechanisms shall be in place to identify the following factors for any concerns as to ability to carry out Contract:

______________ Fiscal policies and procedures as they pertain to government contracts;

______________ Accuracy of underlying report source data and the validity of the reports;

______________The level of management commitment and understanding of government contracts;

______________ Level of management commitment and understanding of need to update with changes;

______________Various internal changes that may affect performance, such as:

______________ Financial problems;

______________ Loss of essential personnel;

______________ Rapid growth;

______________ Any other factor of concern

Part 2 Contract Monitoring

Contract monitoring requirements are established by ODJFS to provide reasonable assurance that: federal award information and compliance requirements are identified to Contractor; Contractor activities are monitored; audit findings are resolved; and the impact of any Contractor non-compliance is evaluated. Mark that each factor has been reviewed and note all concerns regarding the Contractor. Attach additional sheets and documentation as needed. Note how verification was obtained.

____________ Review of financial and performance reports required under the Contract;

___________ An on-site or desk review of the Contractor's records to verify the services being provided are within the scope of the funding being received;

___________ Program records to review brochures and/or materials disseminated to the public;

___________ Program forms to ensure they capture accurate program services;

___________ Case files, completed applications, service delivery documentation, and other program records and forms to determine the Contractor is appropriately providing services as required under the Contract;

____________ An on-site or desk review of the Contractor's records in order to provide reasonable assurance the cost of goods, services, and property are allowable, in accordance with applicable federal regulations and expenditures appear to be within the budget submitted for approval by examining one or more of the following items and frequency of on-site visits ____;

____________ Purchasing records or invoices to ensure expenditures are allowable, necessary, and reasonable;

____________ Monthly expenditure reports to compare with the annual budget amounts to determine an appropriate level of spending and expenditures being charged against the fund are supported by an approved budget;

_____________ Invoices and budgets, in order to provide reasonable assurance that costs and charges are within the scope of allowable contract costs. The reviewer may interview management personnel and review procedure manuals, inventory, and audit reports to ensure the Contractor has effective control over and accountability for all funds, property, and other assets;

_____________Financial records to assure accounting records identify the source of funds and provide for accurate division of charges and costs between federal and non-federal activities;

____________ Contractor's procedure manual or other operating policies to determine the Contractor has an effective means of communication, internal control, and guidance for its employees to reasonably guard against the misuse of funds;

____________ Quarterly/annual inventory reports to determine the Contractor has a method for safeguarding assets to assure they are used solely for authorized purposes;

____________ Audit reports to determine compliance with any existing findings;

____________ A sampling of various transactions to ensure the policy is being followed;

____________ Codes of conduct and other policies regarding standards of ethical behavior in all business activity and in accordance with federal, state, and local law;

____________ Supporting documentation, for a sampling of reports to assure the accuracy and completeness of data and information included in the reports

Part 3 Suggested Monitoring Plan for Contractor:

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Part 4 Timelines for Monitoring:

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Part 5 Contractor Monitoring Outcomes:

Attach Findings from all monitoring of Contractor. A copy of the Monitoring Finding will be prepared by the Fiscal Account Clerk, reviewed and signed by the Agency Director. A copy will be kept in the Agency's file for the Contractor and a copy shall be sent to the Contractor within thirty days of the monitor visit.

Part 6 Deficiencies or noncompliance issues found in monitoring or assessment:

Should the reviewer discover deficiencies or noncompliance issues that may result in the misuse of federal funds, immediate action to correct those issues will occur. The Agency is responsible for recovering the funds for payment of expenditures not in compliance with the Contract.

The Contractor will have sixty days from the issuance of the monitoring findings to develop a plan for correction or resolution of any deficiencies or noncompliance issues that do not result in ineligible spending of federal funds. Failure of the Contractor to submit and implement said plan will constitute grounds for Contract termination.

Attach plan for correction of deficiencies or noncompliance. Further attach all related materials.

Risk Assessment completed by: ____ Date ____________________

Reviewed by Director: ____ Date ____________________

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LOGAN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 22, 2018

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